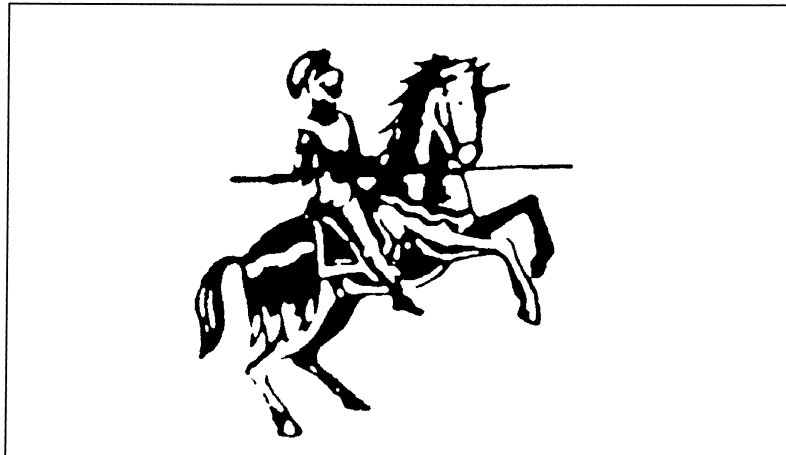


SCHOOL DISTRICT
OF
COLLINGSWOOD



Collingswood Board of Education
Collingswood, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017

**Comprehensive Annual
Financial Report**

of the

Collingswood Board of Education

Collingswood, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by
Collingswood Board of Education
Finance Department

Collingswood School District

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	2
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8

FINANCIAL SECTION

Independent Auditor's Report	10
-------------------------------------	----

K-1 Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	13
---	----

Required Supplementary Information - Part I Management's Discussion and Analysis	16
---	----

Basic Financial Statements

A. District-wide Financial Statements:

A-1 Statement of Net Position	26
A-2 Statement of Activities	27

B. Fund Financial Statements:

Governmental Funds:

B-1 Balance Sheet	29
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	30
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31

Proprietary Funds:

B-4 Statement of Net Position	32
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	33
B-6 Statement of Cash Flows	34

Fiduciary Funds:

B-7 Statement of Fiduciary Net Position	35
B-8 Statement of Changes in Fiduciary Net Position	36

Notes to the Financial Statements	37
--	----

Required Supplementary Information - Part II

C.	Budgetary Comparison Schedules	
C-1	Budgetary Comparison Schedule - General Fund	68
C-1a	Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (if applicable)	N/A
C-2	Budgetary Comparison Schedule - Special Revenue Fund	75

Notes to the Required Supplementary Information

C-3	Budget-to-GAAP Reconciliation	76
-----	-------------------------------	----

Required Supplementary Information - Part III

L.	Schedules Related to Accounting and Reporting for Pensions (GASB-68)	
L-1	Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System	78
L-2	Schedule of the District Contributions - Public Employees Retirement System	79
L-3	Schedule of the District's Proportionate Share of the Net Pension Liability - Teachers' Pension and Annuity Fund	80

Notes to the Required Supplementary Information - Part III 81

Other Supplementary Information

D.	School Level Schedules :	N/A
E.	Special Revenue Fund:	
E-1	Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis	84
F.	Capital Projects Fund:	
F-1	Summary Statement of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	N/A
G.	Proprietary Fund: Enterprise Fund:	
G-1	Combining Statement of Net Position	88
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	89
G-3	Combining Statement of Cash Flows	90
H.	Fiduciary Funds:	
H-1	Combining Statement of Fiduciary Net Position	92
H-2	Combining Statement of Changes in Fiduciary Net Position	93
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	94
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	95

I. Long-Term Debt:

I-1	Schedule of Serial Bonds	97
I-2	Schedule of Obligations under Capital Leases	N/A
I-3	Budgetary Comparison Schedule	98

STATISTICAL SECTION (Unaudited)

J-1	Net Position by Component	100
J-2	Changes in Net Position, Last Ten Fiscal Years	101
J-3	Fund Balances, Governmental Funds, Last Ten Fiscal Years	103
J-4	Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	104
J-5	General Fund - Other Local Revenue by Source, Last Ten Fiscal Years	105
J-6	Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years	106
J-7	Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	107
J-8	Principal Property Tax Payers, Current Year and Nine Years Ago	108
J-9	Property Tax Levies and Collections, Last Ten Fiscal Years	109
J-10	Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	110
J-11	Ratios of Net General Bonded Debt Outstanding, Last Ten Fiscal Years	111
J-12	Ratios of Overlapping Governmental Activities Debt, As of December 31, 2016	112
J-13	Legal Debt Margin Information, Last Ten Fiscal Years	113
J-14	Demographic and Economic Statistics	114
J-15	Principal Employers, Current Year & Nine Years Ago (information not available)	N/A
J-16	Full-time Equivalent District Employees by Function/Program, Last Ten Fiscal Years	115
J-17	Operating Statistics, Last Ten Fiscal Years	116
J-18	School Building Information, Last Ten Fiscal Years	117
J-19	Schedule of Required Maintenance, Last Ten Fiscal Years	118
J-20	Insurance Schedule	119

SINGLE AUDIT SECTION

K-2	Report on Compliance for Each Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey Circular 15-08-OMB	121
K-3	Schedule of Expenditures of Federal Awards, Schedule A	123
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	124
K-5	Notes to the Schedules of Awards and Financial Assistance	125
K-6	Schedule of Findings and Questioned Costs	127
K-7	Financial Statement Findings	129
K-7	Federal Awards and State Financial Assistance Findings and Questioned Costs	130
K-8	Summary Schedule of Prior Audit Findings	131

Introductory Section



Collingswood Public Schools

It's Where You Want to Learn

200 LEES AVENUE, COLLINGSWOOD, NJ 08108
Telephone (856) 962-5700
Fax (856) 962-5723



SCOTT A. OSWALD, Ed.D.
Superintendent of Schools

BETH ANN COLEMAN
Business Administrator/Board Secretary

September 2017

Honorable President and
Members of the Board of Education
Collingswood School District
County of Camden
Collingswood, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Collingswood School District (District) for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a roster of officials and consultants. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 as amended in 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the State Treasury Circular Letter 98-07, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments".

Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

Collingswood School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Collingswood Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PreK through 12. These include regular, vocational, and English as a Second Language for limited English speakers and special education for disabled youngsters. The District completed the 2016-2017 fiscal year with an enrollment of 1,955 students, which is 13 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment Student Enrollment</u>	<u>Percent Change</u>
2012-2013	1,853	-0.2%
2013-2014	1,885	1.7%
2014-2015	1,864	-1.1%
2015-2016	1,942	4%
2016-2017	1,955	.6%

2. ECONOMIC CONDITION AND OUTLOOK

The Borough of Collingswood continues to remain focused on its goal of maintaining existing ratables while examining ways to attract new ventures. Neighborhood redevelopment efforts continue to provide resources for community members to maintain their properties. The Borough uses the business improvement districts to provide funding for professional services to make the business districts a competitive environment. The program to convert multi-family dwellings back to sing-family homes continues to promote long-term family community commitment. The Haddon Avenue merchant area is thriving and includes a variety of dining and shopping opportunities. This area has become know throughout south Jersey and attracts nonresidents as well as residents to experience the restaurants and shopping opportunities. The continued efforts of the Borough suggest preservation of a standard of living the community has come to expect.

3. MAJOR INITIATIVES

The Collingswood Public School District will pursue the following initiatives during the 2017-2018 school year:

District:

- The board of education will continue to review cost saving measures and potential for shared services. The Collingswood Public Schools provide:
 - Custodial and Maintenance services to Oaklyn
 - Child Study Team services to Oaklyn
 - Technology services to Oaklyn
 - Administrative services to Oaklyn
 - Business office services to Oaklyn
 - Curriculum and Professional Development services to Oaklyn
 - As needed Maintenance services to the following school districts:
 - Bellmawr
 - Clementon
 - Haddon Township
 - Mount Ephraim

Collingswood continues to explore areas for sharing services in the area in order to limit our tax impact on the citizens while continuing to provide services and programming for our pupils.

We will continue to optimize our resources to encourage the effective use of technology and energy-efficient/sustainable practices.

- Continue to offer STEM- centered, problem solving courses.
- Continue to maintain our facilities.

District Goals and Reflections from Fiscal Year 2016-2017:

1. Successfully implemented Stage 3 of the 1:1 Chromebook initiative including a well-constructed distribution plan, ongoing teacher and staff training opportunities, and documented instructional changes occurring in classrooms. The district will continue to upgrade technology infrastructure and hardware necessary for successful implementation of district initiatives.
2. The Business Administrator actively “marketed” as-needed skilled trade shared services opportunities to neighboring Camden County Districts. As many districts cut back on in-house custodial and maintenance services, we can benefit from what our highly skilled staff can provide to neighboring districts. This continues to be an area of additional income for the Collingswood Public Schools.
3. Design and installation of new signage inside and outside the secondary complex has been completed.
4. LED lighting project will continue.

4. INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District’s single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the Borough of Collingswood. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2017.

6. ACCOUNTING SYSTEM AND REPORTS

The District's account records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

7. CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9. OTHER INFORMATION

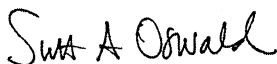
Independent Audit:

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso & Stewart, CPAs, was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 as amended in 1996 and the related OMB Circular A-133, the State Treasury Circular Letter 98-07. The auditor's report on the general purpose financial statements and the combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGEMENTS

We would like to express our appreciation to everyone involved in the audit process. The audit was completed in a timely manner without inconveniences or interruptions to the regular operation of the business office. We value the efforts of our Finance Committee as they work with District administrators in the preparation of the budget and the hard work and dedication of the entire Board as they seek to provide fiscal accountability to the citizens and taxpayers of Collingswood.

Respectfully submitted,



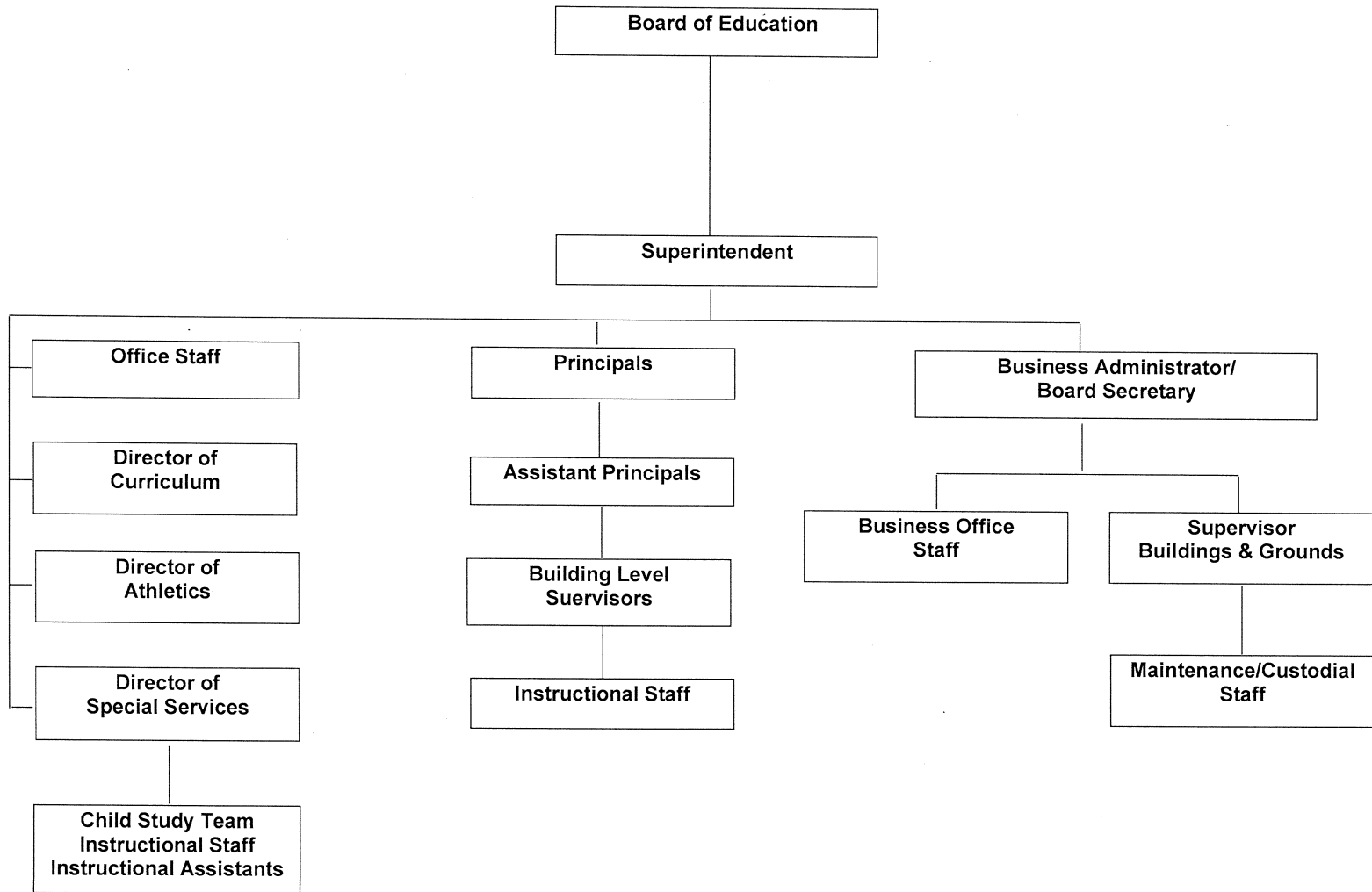
Scott A. Oswald
Superintendent of Schools



Beth Ann Coleman
Board Secretary/Business Administrator

COLLINGSWOOD BOARD OF EDUCATION

Organizational Chart



COLLINGSWOOD SCHOOL DISTRICT

Roster of Officials

June 30, 2017

Members of the Board of Education:

Term Expires

James Hatzell, President	2018
Kathleen McCarthy, Vice President	2018
Madalyn Deets	2017
Fiona Henry	2017
Antonina Miller	2017
Regan Kaiden	2018
Dr. Raymond Becker	2019
Clinton Conner	2019
Jason Waugh	2019

Members of the Board of Education - Sending Districts:

William Stauts, Oaklyn	2017
Carlos Poole, Woodlynne	2017

Other Officials:

Scott A. Oswald, Superintendent
Beth Ann Coleman, Business Administrator/Board Secretary
Joseph Betley, Esq. Solicitor
Inverso & Stewart LLC, Auditors
Garrison Architects, Architects

**COLLINGSWOOD SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

Inverso & Stewart, LLC
651 Route 73 North, Suite 402
Marlton, NJ 08053

Attorney

Capehart & Scatchard, P.A.
Joseph Betley, Esq.
8000 Midlantic Drive
Mount Laurel, NJ 08054

Architect

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

Official Depository

1st Colonial National Bank
1040 Haddon Avenue
Collingswood, NJ 08108

Financial Section

INVERSO & STEWART, LLC
Certified Public Accountants

651 Route 73 North, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: iscpas@concentric.net

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Collingswood School District
County of Camden
Collingswood, New Jersey

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Collingswood School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Collingswood School District, in the County of Camden, State of New Jersey, as of June 30, 2017, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, and schedule of the School District's contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Collingswood School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, statistical section, and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedules of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated October 12, 2017 on my consideration of the Collingswood School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Collingswood School District's internal control over financial reporting and compliance.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
October 12, 2017

INVERSO & STEWART, LLC
 Certified Public Accountants

651 Route 73 North, Suite 402
 Marlton, New Jersey 08053
 (856) 983-2244
 Fax (856) 983-6674
 E-Mail: Iscpas@concentric.net

-Member of-
 American Institute of CPAs
 New Jersey Society of CPAs

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
 AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
 WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
 of the Board of Education
 Collingswood School District
 County of Camden
 Collingswood, New Jersey

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Collingswood School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated October 12, 2017.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Collingswood School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Collingswood School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Collingswood School District’s financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
October 12, 2017

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Collingswood School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

As management of the Board of Education of the Borough of Collingswood, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District did not exceed its liabilities at the close of the most recent fiscal year by \$9,153,296 (*net assets*) due to the adoption and presentation of GASB 68.
- Governmental activities have an unrestricted net assets deficit of \$9,412,776. The accounting treatments in the governmental funds for compensated absences payable, and the last state aid payment, the state statute that prohibits school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance and the adoption and presentation of GASB 68 are responsible for this deficit balance.
- The total net assets of the School District decreased by \$157,826 or 1.8% from the prior fiscal year-end balance. The majority of the decrease is due a revaluation of district fixed assets and adoption of GASB 68.
- Fund balance of the School District's governmental funds increased by \$304,792 resulting in an ending fund balance of \$5,145,875. This increase was primarily due to an increase in miscellaneous revenues and tuition revenues received.
- Business-type activities have unrestricted net assets of \$143,616 which may be used to meet the School District's ongoing obligations of the food service operations.
- The School District's long-term obligations increased by \$2,369,271 which is the net result of the required payment on long-term obligations, change in compensated absences and the inclusion of net pension liability as required.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net assets and the statement of activities.

The *statement of net assets* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the School District changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities consolidate the Food Service Fund and the After School Program Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's two enterprise funds (Food Service Fund and After School Program Fund) are listed individually and are considered to be major funds.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements, equipment and vehicles. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2017. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2017.

The assets of the primary government activities did not exceed liabilities by \$9,412,776 with an unrestricted deficit balance of \$10,825,870. As mentioned earlier, deficit unrestricted net assets are primarily due to the accounting treatment for compensated absences payable, accrued interest payable, the last two state aid payments and the adoption of GASB 68. The net assets of the primary government do not include internal balances.

A deficit net investment in land, improvements, buildings, equipment and vehicles of \$4,069,608 which provide the services to the School District's 1,955 public school students, represents 43% of the School District's deficit net assets. Net assets of \$5,482,702 have been restricted as follows:

Reserved for future budget appropriation	\$2,016,939
Reserved for encumbrances	\$65,495
Designated for subsequent budget	\$2,012,729
Capital reserve	\$1,137,539
Maintenance	<u>\$250,000</u>
Total	\$5,482,702

**Collingswood School District
Comparative Summary of Net Assets
As of June 30, 2017 and 2016**

	Governmental Activities		Business-Type Activities		District-Wide	
	2017	2016	2017	2016	2017	2016
Assets:						
Current assets	\$ 5,595,065	\$ 5,294,743	\$ 156,895	\$ 182,082	\$ 5,751,960	\$ 5,476,825
Capital assets	<u>9,045,392</u>	<u>9,023,406</u>	<u>115,864</u>	<u>133,309</u>	<u>9,161,256</u>	<u>9,156,715</u>
Total assets	<u>14,640,457</u>	<u>14,318,149</u>	<u>272,759</u>	<u>315,391</u>	<u>14,913,216</u>	<u>14,633,540</u>
Deferred Outflows of Resources pension	<u>4,579,484</u>	<u>2,374,701</u>	<u>0</u>	<u>0</u>	<u>4,579,484</u>	<u>2,374,701</u>
Defeasance Loss	<u>171,294</u>	<u>184,471</u>	<u>0</u>	<u>0</u>	<u>171,294</u>	<u>184,471</u>
Current Liabilities	<u>1,748,502</u>	<u>1,270,078</u>	<u>13,279</u>	<u>52,902</u>	<u>1,761,781</u>	<u>1,322,980</u>
Noncurrent Liabilities	<u>26,695,746</u>	<u>24,371,475</u>	<u>0</u>	<u>0</u>	<u>26,695,746</u>	<u>24,371,475</u>
Total liabilities	<u>28,444,248</u>	<u>25,641,553</u>	<u>13,279</u>	<u>52,902</u>	<u>28,457,527</u>	<u>25,694,455</u>
Deferred Inflows	<u>359,763</u>	<u>493,727</u>	<u>0</u>	<u>0</u>	<u>359,763</u>	<u>493,727</u>
Net assets	<u>\$ (9,412,776)</u>	<u>\$ (9,257,959)</u>	<u>\$ 259,480</u>	<u>\$ 262,489</u>	<u>\$ (9,153,296)</u>	<u>\$ (8,995,470)</u>
Net assets consist of:						
Net investment capital						
Assets	\$ (4,069,608)	\$ (4,866,594)	\$ 115,864	\$ 133,309	\$ (3,953,744)	\$ (4,733,285)
Restricted net assets	5,482,702	5,189,824			5,482,702	5,189,824
Unrestricted net assets	<u>(10,825,870)</u>	<u>(9,581,189)</u>	<u>143,616</u>	<u>129,180</u>	<u>(10,682,254)</u>	<u>(9,452,009)</u>
Net assets	<u>\$ (9,412,776)</u>	<u>\$ (9,257,959)</u>	<u>\$ 259,480</u>	<u>\$ 262,489</u>	<u>\$ 9,153,296)</u>	<u>\$ (8,995,470)</u>

Governmental Activities

Governmental activities decreased the net assets of the School District by \$154,817 during the current fiscal year. The decrease in net assets for governmental activities is due to the following:

Continue presentation of GASB68

Business-type Activities

Business-type activities decreased the School District's net assets by \$3,009. Key elements of the decrease in net assets for business-type activities are as follows:

Decrease in food service reimbursements

Collingswood School District
Comparative Schedule of Changes in Net Assets
As of and for the Fiscal Year Ended June 30, 2017 and 2016

	Governmental Activities		Business-Type Activities		District-Wide	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues						
Charges for services	\$ 4,695,280	4,627,337	237,700	249,835	4,932,980	4,877,172
Operating grants and Contributions	\$ 5,458,640	4,726,532	407,836	410,561	5,866,476	5,137,093
Capital grants and Contributions						
General Revenues:						
Property Taxes	\$ 16,540,589	15,890,028			16,540,589	15,890,028
Unrestricted State Aid	\$ 10,688,453	10,605,731			10,688,453	10,605,731
Restricted State Aid	\$					
Tuition	\$					
Other Revenues	\$ 603,833	449,374	173	134	604,006	449,508
Total Revenues	37,986,795	36,299,002	645,709	660,530	38,632,504	36,959,532
Expenses:						
Governmental Activities:						
Instruction	\$ 15,788,808	15,135,272			15,788,808	15,135,272
Tuition	\$ 567,089	637,640			567,089	637,640
Related Services	\$ 3,815,419	3,732,662			3,815,419	3,732,662
Administrative Services	\$ 2,495,573	2,341,083			2,495,573	2,341,083
Operations and Maintenance	\$ 3,301,091	3,311,375			3,301,091	3,311,375
Transportation	\$ 500,288	494,675			500,288	494,675
Unallocated benefits	\$ 10,997,946	9,782,831			10,997,946	9,782,831
Special Schools(charter)	\$ 139,616	146,103			139,616	146,103
Interest on long-term Debt	\$ 495,075	531,089			495,075	531,089
Other	\$ 40,707	31,207			40,707	31,207
Expense of bond refund						
Business-Type Activities:						
Food Service Operations	\$		648,718	676,299	648,718	676,299
Total Expenses	38,141,612	36,143,937	648,718	676,299	38,790,330	36,820,236
Increase (decrease) in net assets						
Before transfers	\$ (154,817)	155,065	(3,009)	(15,769)	(157,826)	139,296
Transfers	\$					
Changes in net assets	(154,817)	155,065	(3,009)	(15,769)	(157,826)	139,296
Net assets, July 1,	\$ (9,257,959)	(9,413,024)	262,489	278,258	(8,995,470)	(9,134,766)
Net assets	\$ (9,412,776)	\$ (9,257,959)	\$ 259,480	\$ 262,489	\$ (9,153,296)	\$ (8,995,470)

Financial Analysis of the Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$5,145,875 an increase of \$304,792 in comparison with the prior year. The increase is due to increased miscellaneous income.

The unassigned fund balance for the School District at the end of the fiscal year includes a combination of an unassigned fund balance deficit for the General Fund of \$336,827. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) as restricted cash reserved for future capital outlay expenditures \$1,137,539, (2) maintenance reserve \$250,000 (3) appropriated as a revenue source in the subsequent year's budget \$2,012,729 (4) reserved for encumbrances \$65,495 (5) reserved for future budget appropriation in accordance with state statute \$2,016,939.

The general fund is the chief operating fund of the School District. As discussed earlier, the deficit balance in the unreserved fund balance is due, primarily, to the accounting treatment of the last state aid payment as discussed in Note 19 of the notes to the basic financial statements, and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

General Fund Budgetary Highlights

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$649,095, while total fund balance (budgetary basis) was \$6,131,797. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$35,150,081. Unassigned fund balance (budgetary basis) represents 1.8% of expenditures while total fund balance (budgetary basis) represents 17 % of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2017, totaled \$9,161,256 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, improvements, buildings, equipment and vehicles. There was an increase in the District's investment in capital assets for the current fiscal year of \$4,541 or .05%. The increase is due to an increase improvements net of accumulated depreciation.

**Collingswood School District
Capital Asset (net of accumulated depreciation)
June 30, 2017 and 2016**

	Governmental Activities		Business-Type Activities		District-Wide	
	2017	2016	2017	2016	2017	2016
Land	\$ 390,040	390,040			\$ 390,040	390,040
Construction in Progress						
Site Improvements	579,017	628,683			579,017	628,683
Buildings and Building Improvements	7,088,293	6,962,133			7,088,293	6,962,133
Equipment	880,995	916,581	\$ 115,864	133,309	996,859	1,049,890
Vehicles	107,047	125,969			107,047	125,969
Net assets	<u>\$ 9,045,392</u>	<u>9,023,406</u>	<u>\$ 115,864</u>	<u>133,309</u>	<u>\$ 9,161,256</u>	<u>9,156,715</u>

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Long-term debt – During the fiscal year ended June 30, 2017, the School District had \$16,454,913 in serial bonds payable, \$247,103 in compensated absences and \$14,153,643 in net pension liability.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$41,663,234 with a remaining borrowing capacity of \$28,548,234.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7, 9 and 14) of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2017-2018 fiscal year.

- In July, AFTER the 2017-2018 Budget was submitted and approved, we were informed that the State would be reducing Collingswood's State aid by \$123,376. The Board of Education met on July 31, 2017 to reduce its budget. The Board of Education will be considering this cut in State aid and possible future reductions in its 2018-2019 budget preparation.
- The Board of Education is determined to continue to offer a lean and efficient budget while meeting the needs of our community.
- The board of education continues to review cost saving measures and potential for shared services. The Collingswood Public Schools provide:
 - Custodial and Maintenance services to Oaklyn
 - Child Study Team services to Oaklyn
 - Technology services to Oaklyn
 - Administrative services to Oaklyn
 - Business office services to Oaklyn

In addition, The Collingswood Public Schools provide Maintenance services to our neighboring districts on a time and materials basis as requested. Those Districts include; Mount Ephraim, Clementon, Bellmawr and Haddon Township.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Collingswood School District Business Administrator, 200 Lees Avenue, Collingswood, New Jersey, 08108, telephone number (856) 962-5720.

Basic Financial Statements

District-Wide Financial Statements

COLLINGSWOOD SCHOOL DISTRICT
Statement of Net Position
June 30, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 3,625,863	\$ 124,051	\$ 3,749,914
Restricted cash and cash equivalents	1,137,539		1,137,539
Receivables, net	831,663	16,030	847,693
Internal balances			
Inventory		16,814	16,814
Capital assets, net (Note 5)	<u>9,045,392</u>	<u>115,864</u>	<u>9,161,256</u>
Total Assets	<u>14,640,457</u>	<u>272,759</u>	<u>14,913,216</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	4,579,484		4,579,484
Defeasance loss	<u>171,294</u>		<u>171,294</u>
Total deferred outflows of resources	<u>4,750,778</u>	<u>-</u>	<u>4,750,778</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	<u>19,391,235</u>	<u>272,759</u>	<u>19,663,994</u>
LIABILITIES:			
Payable to state government	117,059		117,059
Unearned revenue	77,741	13,279	91,020
Accounts payable			
Related to pensions	439,832		439,832
Other	250,124		250,124
Deposits payable	4,266		4,266
Other liabilities			
Accrued interest payable	39,480		39,480
Noncurrent liabilities:			
Due within one year	820,000		820,000
Due beyond one year	<u>26,695,746</u>		<u>26,695,746</u>
Total Liabilities	<u>28,444,248</u>	<u>13,279</u>	<u>28,457,527</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of resources from pensions	<u>359,763</u>		<u>359,763</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:	<u>28,804,011</u>	<u>13,279</u>	<u>28,817,290</u>
NET POSITION:			
Net investment in capital assets	(4,069,608)	115,864	(3,953,744)
Restricted for:			
Debt service			
Capital projects	1,137,539		1,137,539
Other purposes	4,345,163		4,345,163
Unrestricted (Deficit)	<u>(10,825,870)</u>	<u>143,616</u>	<u>(10,682,254)</u>
Total Net Position	<u>\$ (9,412,776)</u>	<u>\$ 259,480</u>	<u>\$ (9,153,296)</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

COLLINGSWOOD SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 10,994,034	\$ 4,695,280	\$ 459,630	\$ -	\$ (5,839,124)	\$ -	\$ (5,839,124)
Special Education	3,122,725		482,520		(2,640,205)		(2,640,205)
Other instruction	1,672,049				(1,672,049)		(1,672,049)
Support Services:							
Tuition	567,089				(567,089)		(567,089)
Student & instruction related services	3,815,419		227,017		(3,588,402)		(3,588,402)
General administrative services	789,391				(789,391)		(789,391)
School administrative services	1,299,769				(1,299,769)		(1,299,769)
Central administrative services	406,413				(406,413)		(406,413)
Plant operations and maintenance	3,301,091		10,968		(3,290,123)		(3,290,123)
Pupil transportation	500,288				(500,288)		(500,288)
Unallocated employee benefits	10,997,946		4,278,505		(6,719,441)		(6,719,441)
Special schools	13,689				(13,689)		(13,689)
Transfer to charter schools	125,927				(125,927)		(125,927)
Interest on long-term debt	495,075				(495,075)		(495,075)
Unallocated	40,707				(40,707)		(40,707)
Total Governmental Activities	<u>38,141,612</u>	<u>4,695,280</u>	<u>5,458,640</u>	<u>-</u>	<u>(27,987,692)</u>	<u>-</u>	<u>(27,987,692)</u>
Business-Type Activities:							
Food Service	619,220	209,142	407,836			(2,242)	(2,242)
Summer Theater	29,498	28,558	-			(940)	(940)
Total Business-Type Activities	<u>648,718</u>	<u>237,700</u>	<u>407,836</u>			<u>(3,182)</u>	<u>(3,182)</u>
Total Primary Government	<u>\$ 38,790,330</u>	<u>\$ 4,932,980</u>	<u>\$ 5,866,476</u>	<u>\$ -</u>	<u>(27,987,692)</u>	<u>(3,182)</u>	<u>(27,990,874)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					15,268,576		15,268,576
Taxes levied for debt service					1,272,013		1,272,013
Federal and State aid not restricted					10,688,453		10,688,453
Investment Earnings					2,034	173	2,207
Miscellaneous Income					601,799		601,799
Contributing Capital							
Transfers							
Total general revenues, special items, extraordinary items and transfers					<u>27,832,875</u>	<u>173</u>	<u>27,833,048</u>
Change in Net Position					<u>(154,817)</u>	<u>(3,009)</u>	<u>(157,826)</u>
Net Position -- July 1, 2016					<u>(9,257,959)</u>	<u>262,489</u>	<u>(8,995,470)</u>
Net Position -- June 30, 2017					<u>\$ (9,412,776)</u>	<u>\$ 259,480</u>	<u>\$ (9,153,296)</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

Fund Financial Statements

COLLINGSWOOD SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2017

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Assets:					
Cash and cash equivalents	\$ 3,252,520	\$ -	\$ -	\$ -	\$ 3,252,520
Receivables, net:					
State aid	203,976				203,976
Federal		446,492			446,492
Other governmental units	156,149				156,149
Other accounts receivable	14,212	892			15,104
Interfund	618,621				618,621
Restricted assets:					
Cash and cash equivalents	1,137,539				1,137,539
Total Assets	<u>\$ 5,383,017</u>	<u>\$ 447,384</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,830,401</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	160,135	86,426			246,561
Intergovernmental payable - State		117,059			117,059
Interfund payable		238,899			238,899
Deposits payable	4,266				4,266
Unearned revenues	72,741	5,000			77,741
Other liabilities					-
Total Liabilities	<u>237,142</u>	<u>447,384</u>			<u>684,526</u>
Fund Balances:					
Restricted for:					
Capital reserve	1,137,539				1,137,539
Maintenance reserve	250,000				250,000
Excess surplus	2,016,939				2,016,939
Excess surplus - designated for subsequent year's expenditures	2,012,729				2,012,729
Assigned to:					
Year-end encumbrances	65,495				65,495
Designated for subsequent year's budget					-
Unassigned	<u>(336,827)</u>				<u>(336,827)</u>
Total Fund Balances	<u>5,145,875</u>				<u>5,145,875</u>
Total Liabilities and Fund Balances	<u>\$ 5,383,017</u>	<u>\$ 447,384</u>	<u>\$ -</u>	<u>\$ -</u>	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$33,286,321 and the accumulated depreciation is \$24,240,929. 9,045,392

The difference between the reacquisition price and the net carrying value of old debt (bonds payable) are reported as a deferred outflow of resources. 171,294

Accounts payable related to the April 1, 2018 required PERS contribution that is not to be liquidated with current financial resources. (439,832)

The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred Outflows of resources from Pensions	4,579,484	
Net Pension Liability	(14,153,643)	
Deferred Inflows of resources from Pensions	<u>(359,763)</u>	(9,933,922)

The following long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds:

General Obligation Bonds	(13,115,000)	
Accrued Interest Payable	(39,480)	
Compensated Absences Payable	<u>(247,103)</u>	(13,401,583)

Net Position of Governmental Activities \$ (9,412,776)

COLLINGSWOOD SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 15,268,576	\$ -	\$ -	\$ 1,272,013	\$ 16,540,589
Tuition charges	4,695,280				4,695,280
Interest earned	2,034				2,034
Miscellaneous	601,799				601,799
Total local sources	20,567,689	-		1,272,013	21,839,702
Local Sources		4,747			4,747
State sources	14,794,205	97,905			14,892,110
Federal sources	92,979	1,157,257			1,250,236
Total Revenues	35,454,873	1,259,909		1,272,013	37,986,795
EXPENDITURES:					
Current expense:					
Regular instruction	10,281,340	459,630			10,740,970
Special education instruction	2,640,205	482,520			3,122,725
Other instruction	1,672,049				1,672,049
Support services and undistributed costs:					
Tuition	567,089				567,089
Student & instruction related services	3,588,402	227,017			3,815,419
General administrative services	734,332				734,332
School administrative services	1,299,769				1,299,769
Central administrative services	406,413				406,413
Plant operations and maintenance	3,130,011				3,130,011
Pupil transportation	500,288				500,288
Unallocated employee benefits	9,540,463	79,774			9,620,237
Capital outlay	650,104	10,968			661,072
Special schools	13,689				13,689
Transfer to charter schools	125,927				125,927
Redemption of principal				775,000	775,000
Interest				497,013	497,013
Total Expenditures	35,150,081	1,259,909	-	1,272,013	37,682,003
Excess (deficiency) of revenues over (under) expenditures	304,792	-	-		304,792
Other Financing Sources (Uses):					
Transfers in					-
Transfers out					-
Total other financing sources (uses)	-				-
Net change in fund balance	304,792	-	-	-	304,792
Fund balance - July 1, 2016	4,841,083	-	-		4,841,083
Fund balance - June 30, 2017	\$ 5,145,875	\$ -	\$ -	\$ -	\$ 5,145,875

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

COLLINGSWOOD SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2017

Total net change in fund balances - governmental funds (from B-2)	\$	304,792
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Depreciation expense	\$ (550,595)	
Fixed assets additions	<u>572,581</u>	21,986
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
		775,000
<p>Deferred loss on refunding arising from the issuance of the refunding school bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.</p>		
		(13,177)
<p>Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p>		
		1,938
<p>Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.</p>		
		(1,377,709)
<p>In the statement of activities, certain operating expenses, (e.g. compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)</p>		
		<u>132,353</u>
Change in Net Position of Governmental Activities	\$	<u>(154,817)</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

COLLINGSWOOD SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-Type Activities Enterprise Funds		Governmental Activities Internal Service Funds
	Food Service	Summer Theater	Maintenance Services
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 110,265	\$ 13,786	\$ 373,343
Intergovernmental receivables:			
State Aid	216		
Federal Aid	15,814		
Other			9,942
Interfund receivable			1
Inventories	16,814		
Total current assets	<u>143,109</u>	<u>13,786</u>	<u>383,286</u>
Noncurrent Assets:			
Equipment	275,456		
Less - accumulated depreciation	<u>(159,592)</u>		
Total Noncurrent Assets	<u>115,864</u>		
Total Assets	<u>258,973</u>	<u>13,786</u>	<u>383,286</u>
LIABILITIES:			
Current liabilities:			
Interfund payable			379,723
Accounts payable			3,563
Unearned revenue	5,119	8,160	
Total Liabilities	<u>5,119</u>	<u>8,160</u>	<u>383,286</u>
NET POSITION:			
Net investment in capital assets	115,864		
Reserve for encumbrances			
Unrestricted	<u>137,990</u>	<u>5,626</u>	
Total Net Position	<u>\$ 253,854</u>	<u>\$ 5,626</u>	<u>\$ -</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

COLLINGSWOOD SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2017

	Business-Type Activities Enterprise Funds		Governmental Activities Internal Service Funds
	Food Service	Summer Theater	Maintenance Funds
Operating Revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 93,722	\$ -	\$ -
Daily sales - non-reimbursable programs	113,076		
Maintenance services			795,404
Miscellaneous		28,558	
Special functions	2,344		
Total Operating Revenues	<u>209,142</u>	<u>28,558</u>	<u>795,404</u>
Operating Expenses:			
Cost of sales-Reimbursable	223,583		
Cost of sales-Nonreimbursable	38,875		
Salaries	261,059	15,801	
Supplies	22,785	4,660	
Purchased services	33,409	9,037	
Other costs	22,064		795,404
Depreciation	17,445		
Total Operating Expenses	<u>619,220</u>	<u>29,498</u>	<u>795,404</u>
Operating Income (Loss)	<u>(410,078)</u>	<u>(940)</u>	
Nonoperating Revenues (Expenses):			
State sources:			
State school lunch program	5,640		
Federal sources:			
National school lunch program	263,734		
National school breakfast program	99,290		
Food distribution program	39,172		
Interest on investments	173		
Board contribution			
Contributing Capital			
Total Nonoperating Revenues (Expenses)	<u>408,009</u>		
Change in Net Position	(2,069)	(940)	
Net Position - July 1, 2016	<u>255,923</u>	<u>6,566</u>	
Net Position - June 30, 2017	<u>\$ 253,854</u>	<u>\$ 5,626</u>	<u>\$ -</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

COLLINGSWOOD SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2017

	Business-Type Activities Enterprise Funds		Governmental Activities Internal Service Funds
	Food Service	Summer Theater	Maintenance Funds
Cash Flows from Operating Activities:			
Cash receipts from customers	\$ 211,424	\$ 20,018	\$ 1,232,949
Cash receipts from vendor	22,771		
Cash payments to employees for services	(261,059)	(15,801)	(1,165,994)
Cash payments to suppliers for goods and services	(335,415)	(18,697)	
Net cash used by operating activities	(362,279)	(14,480)	66,955
Cash Flows from Noncapital Financing Activities:			
Cash received from state sources	5,693		
Cash received from federal sources	365,707		
Operating transfer in/out			
Net cash provided by noncapital financing activities	371,400		
Cash Flows Used by Capital and Related Financing Activities:			
Purchase of equipment			
Cash Flow Provided by Investing Activities:			
Interest on cash equivalents	173		
Net increase (decrease) in cash and cash equivalents	9,294	(14,480)	66,955
Cash and cash equivalents - July 1, 2016	100,971	28,266	306,388
Cash and cash equivalents - June 30, 2017	<u>\$ 110,265</u>	<u>\$ 13,786</u>	<u>\$ 373,343</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (410,078)	\$ (940)	\$ -
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:			
Depreciation	17,445		
Commodities	39,172		
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	59		(4,465)
(Increase) decrease in inventory	(5,506)		
(Increase) decrease in interfund receivable	22,712		
Increase (decrease) in interfund payable			67,857
Increase (decrease) in unearned revenue	2,283	(8,540)	
Increase (decrease) in accounts payable	(28,366)	(5,000)	3,563
Net cash provided by (used for) operating activities	<u>\$ (362,279)</u>	<u>\$ (14,480)</u>	<u>\$ 66,955</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

COLLINGSWOOD SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	Unemployment Compensation Trust	Trust Funds Flexible Benefit Trust	Private Purpose Scholarship Fund	Agency Funds
ASSETS:				
Cash and cash equivalents	\$ 784,308	\$ 9,445	\$ 188,462	\$ 350,507
 Total Assets	<u>784,308</u>	<u>9,445</u>	<u>188,462</u>	<u>\$ 350,507</u>
 LIABILITIES:				
Payroll deductions and withholdings	\$ 6,582			\$ 167,006
Due to student groups				183,501
 Total Liabilities	<u>6,582</u>	<u></u>	<u></u>	<u>\$ 350,507</u>
 NET POSITION:				
Held in trust for unemployment claims and other purposes	<u>\$ 777,726</u>			
Held in trust for claims		<u>\$ 9,445</u>		
Reserved for scholarships			<u>\$ 188,462</u>	

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

COLLINGSWOOD SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2017

	Unemployment Compensation Trust	Flexible Benefit Trust	Private Purpose Scholarship Fund
ADDITIONS:			
Contributions:	\$ 34,389	\$ 24,000	\$ 28,913
Total Contributions	34,389	24,000	28,913
Interest earned on investments	4,176	11	
Total Additions	38,565	24,011	28,913
DEDUCTIONS:			
Claims paid	11,524	28,100	36,481
Scholarships awarded			
Total Deductions	11,524	28,100	36,481
Change in Net Position	27,041	(4,089)	(7,568)
Net Position - July 1, 2016	750,685	13,534	196,030
Net Position - June 30, 2017	\$ 777,726	\$ 9,445	\$ 188,462

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Collingswood School District ("School District") is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 12. In addition, the School District provides educational services for students in grades 9 through 12 received from the Oaklyn School District and the Woodlynne School District, on a tuition basis. The School District has an approximate enrollment at June 30, 2017 of 1,950 students.

The primary criteria for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School district over which the Board exercises operating control.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

The basic financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

The School District's basic financial statements consists of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program.

Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Government-wide Statements (Continued) - Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The general fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenues sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds (Continued)

Enterprise Funds – The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School District’s enterprise funds are:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations.

Summer Theater - This fund accounts for the financial transactions related to the summer theater program.

All proprietary funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into investment in capital assets, net of related debt, and unrestricted net, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Internal Service Fund – The internal service fund has been established to account for the financing of maintenance services provided by the Collingswood School District for use by other school districts, as well as for the Collingswood School District itself. Services are provided on a cost-reimbursement basis.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: trust funds and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has five fiduciary funds; an unemployment compensation trust fund, a private purpose scholarship fund, a flexible spending trust fund, a student activity fund, and a payroll fund.

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Fund Financial Statements (Continued) - Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1, Exhibit C-2 and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the one or more June state aid payments.

Encumbrances - Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, and all eligibility and time requirements satisfied are reflected on the balance sheet as unearned grant revenue at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents and Investments (Continued) -N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Tuition Receivable - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2017 and 2016 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Inventories - Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out basis.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

Inventories recorded in the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued) - Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land and Improvements	10-20 years	N/A
Buildings and Improvements	10-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	5-10 years	4-6 years

Bond Defeasances – In the government-wide financial statements, gains or losses on bond refundings represent the difference between the price required to repay previously issued debt and the net carrying amount of the retired debt, and are recorded as either a deferred outflow or deferred inflow of resources. In subsequent years, these amounts are amortized on a straight-line basis as a component of interest expense over the shorter of the life of the old or new debt.

Accrued Salaries and Wages - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

Compensated Absences - Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Unearned Revenue – Unearned Revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Liabilities and Long-Term Obligations (Continued) - However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

Net Position - Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Fund Balance - The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2017.

Restricted - This fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which for the School District is the Board of Education. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action imposing the commitment.

Assigned - This fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

Unassigned - This fund balance classification is the residual classification for the General Fund. It represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Committed) – When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the School District’s policy to spend restricted fund balances first. Likewise, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and maintenance service fees for the internal service fund. Non-operating revenues principally consist of interest income earned on various interest bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

Interfunds – Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Recently Issued Accounting Pronouncements - In June 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for financial statements for periods beginning after June 30, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District’s financial statements.

In March 2016, the GASB issued Statement 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure. Furthermore, this Statement clarifies that a deviation, as the term is used in Actuarial Standards of Practice issued by the Actuarial Standards Board, from the guidance in an Actuarial Standard of Practice is not considered to be in conformity with the requirements of Statement 67, Statement 68, or Statement 73 for the selection of assumptions used in determining the total pension liability and related measures. Also, this Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer’s expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits). The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer’s pension liability is measured as of a date other than the employer’s most recent fiscal year-end.

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued) - In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In November 2016, the GASB issued Statement 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In March 2017, the GASB issued Statement 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In May 2017, the GASB issued Statement 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In June 2017, the GASB issued Statement 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA.

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

2. CASH AND CASH EQUIVALENTS (Continued)

However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$6,679,721 as of June 30, 2017, \$355,455 was insured under FDIC and the remaining balance of \$6,324,266 was collateralized under GUDPA.

3. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the New Jersey Department of Education, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Balance July 1, 2016		\$ 815,505
Increased by:		
Interest Earned	\$ 2,034	
Transfer per Board Resolution	320,000	
		322,034
Balance June 30, 2017		\$ 1,137,539

The June 30, 2017 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2017 consisted of other governmental units and governmental grants. All receivables are considered collectible in full due to the stable condition of the other governmental units, State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2017 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Enterprise Fund	Internal Service Fund	Total
Intergovernmental					
State	\$ 203,976	\$ -	\$ 216	\$ -	\$ 204,192
Federal		446,492	15,814		462,306
Other	170,361	892		9,942	181,195
Total	\$ 374,337	\$ 447,384	\$ 16,030	\$ 9,942	\$ 847,693

Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017, was as follows:

	Restated Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Governmental Activities:				
Land	\$ 390,040	\$ -	\$ -	\$ 390,040
<hr/>				
Total Capital Assets not being				
Depreciation	390,040			390,040
Land Improvements	1,596,575	7,000		1,603,575
Building and Improvements	24,429,801	433,025		24,862,826
Vehicles	325,403	-		325,403
Equipment	5,971,921	132,556		6,104,477
Total Historical Cost	<u>32,713,740</u>	<u>572,581</u>	<u>-</u>	<u>33,286,321</u>
Less Accumulated Depreciation:				
Land Improvements	(967,892)	(56,666)		(1,024,558)
Building and Improvements	(17,467,668)	(306,865)		(17,774,533)
Vehicles	(199,434)	(18,922)		(218,356)
Equipment	(5,055,340)	(168,142)		(5,223,482)
Total Accumulated Depreciation	<u>(23,690,334)</u>	<u>(550,595)</u>	<u>-</u>	<u>(24,240,929)</u>
Governmental Activities Capital Assets, Net	<u>\$ 9,023,406</u>	<u>\$ 21,986</u>	<u>\$ -</u>	<u>\$ 9,045,392</u>
Business-Type Activities:				
Equipment	275,456			275,456
Less - Accumulated Depreciation	<u>(142,147)</u>	<u>(17,445)</u>		<u>(159,592)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 133,309</u>	<u>\$ (17,445)</u>	<u>\$ -</u>	<u>\$ 115,864</u>

Depreciation expense in the amount of \$550,595 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 385,417
General Administration	55,059
Plant operations and maintenance	82,589
Unallocated	<u>27,530</u>
Total depreciation expense	<u>\$ 550,595</u>

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

6. INVENTORY

Inventory in the food service fund at June 30, 2017 consisted of the following:

Food	\$	13,314
Supplies		<u>3,500</u>
		<u>\$ 16,814</u>

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2017, the following changes occurred in long-term obligations:

	<u>Outstanding June 30, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2017</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 379,456	\$ -	\$ 132,353	\$ 247,103	\$ -
General Obligation Bonds	13,890,000		775,000	13,115,000	820,000
Net Pension Liability	<u>10,877,019</u>	<u>3,276,624</u>		<u>14,153,643</u>	
	<u>\$ 25,146,475</u>	<u>\$ 3,276,624</u>	<u>\$ 907,353</u>	<u>\$ 27,515,746</u>	<u>\$ 820,000</u>

Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the School District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the School District are as follows:

2012 Refunding School Bonds dated December 1, 2012 in the amount of \$13,115,000 due in annual installments through June 1, 2030, bearing interest rates of 2.50 % to 5.00%.

As of June 30, 2017, principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 820,000	\$ 473,763	\$ 1,293,763
2019	840,000	449,162	1,289,162
2020	860,000	415,563	1,275,563
2021	910,000	381,162	1,291,162
2022	910,000	344,763	1,254,763
2023-2027	5,290,000	1,085,712	6,375,712
2028-2030	<u>3,485,000</u>	<u>189,788</u>	<u>3,674,788</u>
	<u>\$ 13,115,000</u>	<u>\$ 3,339,913</u>	<u>\$ 16,454,913</u>

As of June 30, 2017 the School District had no authorizations to issue additional bonded debt.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

8. OPERATING LEASES

At June 30, 2017, the School District had operating lease agreements in effect for copy machines. Total rental payments for such leases were \$41,753 for the fiscal year ended June 30, 2017. The future minimum lease payments for these leases are as follows:

Fiscal Year Ending June 30,	Amount
2018	\$ 24,138
2019	16,662
2020	331
	\$ 41,131

9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). IN addition, several School District employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits. P.O. Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement, death and disability, and medical benefits to qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

Vesting and Benefit Provisions – The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

9. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
4	Members who were eligible to enroll on or after May 21, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

Contributions - The contribution requirements of plan members are determined by N.J.S.A.18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2017 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2017 was \$1,170,270 and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$1,133,983

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

9. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

At June 30, 2017, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2017, the School District recognized pension expense of \$8,685,461 and revenue of \$8,685,461 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	06/30/16	06/30/15
Collective deferred outflows of resources	\$ 17,414,701,002	\$ 7,521,378,257
Collective deferred inflows of resources	134,532,594	554,399,005
Collective net pension liability (Non-Employer – State of New Jersey)	79,028,907,033	63,577,864,440
State's portion of the net pension liability that was associated with the School District	115,596,400	90,207,875
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.1469451357%	.1427243362%

Actuarial assumptions – The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation: 2.5%
- Salary Increases: Varies based on experience
- Investment Rate of Return: 7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

9. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	05.00%	0.39%
Government Bonds	01.50%	1.28%
Credit Bonds	13.00%	2.76%
Mortgages	02.00%	2.38%
Inflation-Indexed Bonds	01.50%	1.41%
High Yield Bonds	02.00%	4.70%
Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	06.50%	8.16%
Private Real Estate Property	05.25%	3.64%
Timber	01.00%	3.86%
Farmland	01.00%	4.39%
Private Equity	09.00%	8.97%
Commodities	00.50%	2.87%
Hedge Funds – MultiStrategy	05.00%	3.70%
Hedge Funds – Equity Hedge	03.75%	4.72%
Hedge Funds - Distressed	03.75%	3.49%
	100.00%	

Discount rate. The discount rate used to measure the State's total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the contribution rate in the most recent fiscal year. The state contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution.

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

9. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

As such, the proportionate share of the net pension liability as of June 30, 2016, the pension plans measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.13%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.13%) or 1 percentage point higher (5.13%) than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	138,047,935	115,596,400	97,261,825
	\$ 138,047,935	\$ 115,596,400	\$ 97,261,825

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Public Employees' Retirement System (PERS)

Plan Description - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS designated purpose is to provide retirement, death and disability, and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
4	Members who were eligible to enroll on or after May 21, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 336, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2017 was 13.17% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2016, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2017 was \$424,548 and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$242,778.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Adjustment</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability Paid by District</u>
2017	\$ 66,408	\$ -	\$ 337,959	\$ 20,181	\$ 424,548
2016	70,525	-	324,882	21,170	416,577
2015	69,254	-	320,356	26,388	415,998

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At June 30, 2017, the School District reported a liability of \$14,153,643 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015.

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

The School District's proportion of the of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended June 30, 2017, the School District recognized pension expense of \$1,377,685. At June 30, 2017, the School District reported a liability of \$14,153,643 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 263,215	\$ -
Changes of assumptions	2,931,879	
Net Difference between projected and actual earnings on pension plan investments	539,691	
Changes in proportion	404,867	359,763
District contributions subsequent to the measurement date	439,832	
Total	\$ 4,579,484	\$ 359,763

\$439,832 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net liability in the year ended June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows of Resources
2017	\$ 812,182
2018	812,182
2019	952,941
2020	804,009
2021	398,575
Total	\$ 3,779,889

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	-	5.00
Changes in proportion		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

Additional Information

Collective balances at June 30, 2016 and 2015 are as follows:

	<u>6/30/2016</u>	<u>6/30/2015</u>
Collective deferred outflows of resources	\$ 8,685,338,380	\$ 3,578,755,666
Collective deferred inflows of resources	\$ 870,133,595	\$ 993,410,455
Collective net pension liability	\$ 29,617,131,759	\$ 22,447,996,119
District's Proportion	.0477887017%	.0484542968%

Actuarial assumptions – The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation rate: 3.08%
- Salary Increases:
 - Through 2025: 1.65-4.15% based on age
 - Thereafter: 2.65-5.15% based on age
- Investment Rate of Return: 7.65%

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 3 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	05.00%	00.87%
U.S. Treasuries	01.50%	01.74%
Investment Grade Credit	08.00%	01.79%
Mortgages	02.00%	01.67%
High Yield Bonds	02.00%	04.56%
Inflation Indexed Bonds	01.50%	03.44%
Broad US Equities	26.00%	08.53%
Developed Foreign Equities	13.25%	06.83%
Emerging Market Equities	06.50%	09.95%
Private Equity	09.00%	12.40%
Hedge Funds/Absolute Ret	12.50%	04.68%
Real Estate (Property)	02.00%	06.91%
Commodities	00.50%	05.45%
Global Debt ex US	05.00%	-0.25%
REIT	05.25%	05.63%
	100.00%	

Discount rate. The discount rate used to measure the State's total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Discount rate (Continued) - The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. The following presents the School District's proportionate share of the net pension liability measured as of June 30, 2016, calculated using the discount rate of 3.98%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.98%) or 1 percentage point higher (4.98%) than the current rate:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's proportionate share of the net pension liability	\$ 17,343,637	\$ 14,153,643	\$ 11,520,026

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Year</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2017	\$ 9,564	\$ 9,564
2016	7,122	7,122
2015	9,458	9,458

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

10. STATE POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.1 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at:

<http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2017, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long term disability insurance were \$1,676,538, \$1,396,937, and \$5,153, respectively. In addition, \$1,120,103 on-behalf payments were made by the state for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

12. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

Property and Liability Insurance - The School District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Joint Insurance Pool - The School District is a member of the New Jersey Burlington County Joint Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

12. RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ 4,176	\$ 34,389	\$ 11,524	\$ 777,726
2016	3,113	33,008	75,737	750,685
2015	2,416	33,150	38,411	790,301

13. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

14. COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policy. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with the School District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2017, the liability for compensated absences in the governmental activities fund type was \$247,103.

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

15. INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2018. The following interfund receivables/payables were recorded on the various balance sheets as of June 30, 2017:

Fund	Interfunds Receivable	Interfunds Payable
General Fund	\$ 618,621	\$ -
Special Revenue Fund		238,899
Proprietary Fund	1	379,723
	\$ 618,622	\$ 618,622

16. CONTINGENCIES

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2017, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. FLEXIBLE BENEFITS PROGRAM

The School District offers its employees a Flexible Benefits Program. The purpose of the program is to provide a tax incentive for plan participants incurring health premium expenses, dependent care expenses and other medical expenses not covered by other insurance. The School District, who is the plan administrator, has contracted with American Family Life Assurance Company (AFLAC) to act as its agent to furnish reimbursement services. The plan participants redirect a prescribed amount of their gross pay (tax-free) into a reimbursement account and then in-turn submit claims to AFLAC for repayment. Because of Internal Revenue Service regulations, if at the end of any plan year unexpended funds remain, these funds will be forfeited by the participants and returned to the School District.

The following is a summary of School District contributions, employee contributions, reimbursements to the plan participants for benefits paid and the ending balance of the School District's fiduciary fund for the current and prior two years.

Fiscal Year	Interest Earned	Contributions	Amount Reimbursed	Ending Balance
2017	\$ 11	\$ 24,000	\$ 28,100	\$ 9,445
2016	22	28,500	22,572	13,534
2015	22	24,500	22,446	7,584

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

18. TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Borough of Collingswood (Municipality) provides for long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by the Municipality are for affordable housing and other permitted purposes. Taxes abated include municipal, local school, and county taxes.

The municipality recognized revenue of \$1,063,056 from the annual service charge in lieu of payment of taxes in 2016. The assessed value on these tax exemption properties amounted to \$95,689,100 which would have resulted in 2016 taxes billed in full of \$3,195,744. A portion of the \$2,132,688 abatement would have been allocated to the District.

19. DEFICIT UNASSIGNED FUND BALANCE

The School District has a deficit unassigned fund balance of \$336,827 in the General Fund as of June 30, 2017 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenues, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable.

Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$336,827 is equal to or less than the June state aid payment.

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

20. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2017, a deficit of \$10,825,870 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances, June 30, 2017:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds)	
Unassigned	\$ (336,827)
Add - Deferred Outflow of Resources	171,294
Liabilities:	
Accrued Interest Payable	(39,480)
Net Pension Differences	(10,373,754)
Compensated Absences	(247,103)
Unrestricted Net Position (Deficit)	<u><u>\$ (10,825,870)</u></u>

21. FUND BALANCES

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund:

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget.

Excess Surplus (Continued) - The excess fund balance at June 30, 2017 is \$2,016,939 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$2,012,729 of excess fund balance generated during the 2015-2016 fiscal year has been restricted and designated for utilization in the 2017-2018 budget.

Capital Reserve – As of June 30, 2017, the balance in the capital reserve account is \$1,137,539. The entire amount is restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan.

Maintenance Reserve Account – As of June 30, 2017, the balance in the maintenance reserve account is \$250,000. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2017**

21. FUND BALANCES (CONTINUED)

ASSIGNED

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund:

Other Purposes – At June 30, 2017 the School District has \$65,495 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund – As of June 30, 2017, the unassigned fund balance of the general fund was a deficit of \$336,827. The deficit is a result of the delay in the recording of the payment of state aid until the following fiscal year (See Note 18).

Required Supplementary Information - Part II

Budgetary Comparison Schedules

COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 15,268,576	\$ -	\$ 15,268,576	\$ 15,268,576	\$ -
Tuition - From Other LEA's	4,335,066	-	4,335,066	4,602,410	267,344
Tuition - From Individuals	91,200	-	91,200	92,870	1,670
Interest earned on capital reserve funds	2,100	-	2,100	2,034	(66)
Unrestricted misc. revenues	271,601	-	271,601	601,799	330,198
Total local sources	19,968,543	-	19,968,543	20,567,689	599,146
State sources:					
School choice aid	171,054	-	171,054	171,054	-
Categorical special education aid	924,652	-	924,652	924,652	-
Equalization aid	7,838,657	-	7,838,657	7,838,657	-
Categorical security aid	267,409	-	267,409	267,409	-
Adjustment aid	1,044,170	-	1,044,170	1,044,170	-
Categorical transportation aid	176,430	-	176,430	176,430	-
Extraordinary aid	24,000	-	24,000	54,068	30,068
PARCC Readiness Aid	16,010	-	16,010	16,010	-
Per Pupil Growth Aid	16,010	-	16,010	16,010	-
Professional Learning Community Aid	16,430	-	16,430	16,430	-
Lead Testing for Schools Aid				11,942	11,942
Homeless Tuition Aid				83,099	83,099
On-behalf TPAF pension contri. (non-budgeted)		-		1,676,538	1,676,538
On-behalf TPAF post retirement medical (non-budgeted)		-		1,396,937	1,396,937
On-behalf TPAF - LTDI (non-budgeted)		-		5,153	5,153
Reimbursed TPAF social security contribution (non-budgeted)		-		1,120,103	1,120,103
Total state sources	10,494,822	-	10,494,822	14,818,662	4,323,840
Federal sources:					
Medicaid reimbursement- ARRA/SEMI				5,193	5,193
Medicaid reimbursement	46,113	-	46,113	87,786	41,673
Total federal sources	46,113	-	46,113	92,979	46,866
TOTAL REVENUES	30,509,478	-	30,509,478	35,479,330	4,969,852
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool	170,982	21,001	191,983	191,367	616
Kindergarten	469,463	(54,229)	415,234	411,485	3,749
Grades 1-5	3,025,998	57,728	3,083,726	3,043,257	40,469
Grades 6-8	1,895,003	(82,937)	1,812,066	1,783,289	28,777
Grades 9-12	4,040,438	(11,210)	4,029,228	3,832,025	197,203
Regular Programs - Home Instruction:					
Salaries of teachers	36,000	-	36,000	8,995	27,005
Purchased professional - educ services	18,000	20,000	38,000	26,552	11,448
Regular Programs - Undistributed Instruction:					
Unused vacation payment to terminated/retired staff	49,500	-	49,500	14,771	34,729
Purchased professional - educ services	9,431	999	10,430	9,885	545
Purchased technical services	115,975	44,120	160,095	141,271	18,824
Other purchased services	114,100	52,498	166,598	119,001	47,597
General supplies	932,291	(198,034)	734,257	691,380	42,877
Textbooks	14,750	(800)	13,950	6,645	7,305
Other objects	4,575	-	4,575	1,417	3,158
Total - Regular Programs - Instruction	10,896,506	(150,864)	10,745,642	10,281,340	464,302

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Behavioral Disabilities:					
General supplies	\$ 2,000	\$ (2,000)	\$ -	\$ -	\$ -
Textbooks	1,000	(1,000)			-
Total multiple disabilities	<u>3,000</u>	<u>(3,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Multiple Disabilities:					
Salaries of teachers	126,565	253,836	380,401	361,344	19,057
Other salaries for instruction	189,589	61,632	251,221	245,064	6,157
Purchased prof. educational services	96,859	59,200	156,059	156,037	22
Purchased technical services		-			-
General supplies	20,000	(6,320)	13,680	10,845	2,835
Textbooks	7,500	-	7,500	265	7,235
Total multiple disabilities	<u>440,513</u>	<u>368,348</u>	<u>808,861</u>	<u>773,555</u>	<u>35,306</u>
Resource room/resource center::					
Salaries of teachers	1,360,070	34,816	1,394,886	1,394,871	15
Other salaries for instruction	67,700	9,083	76,783	76,778	5
Purchased prof. educational services	118,859	34,180	153,039	152,440	599
General supplies	9,000	-	9,000	5,162	3,838
Textbooks	10,000	(5,193)	4,807	99	4,708
Total resource room/resource center	<u>1,565,629</u>	<u>72,886</u>	<u>1,638,515</u>	<u>1,629,350</u>	<u>9,165</u>
Autism:					
Salaries of teachers	186,550	(186,550)			-
Other salaries for instruction	104,427	(104,427)			-
Total autism	<u>290,977</u>	<u>(290,977)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Preschool Disabilities - Part-Time:					
Salaries of teachers	79,550	(1,062)	78,488	76,403	2,085
Other salaries for instruction	45,875	(15,119)	30,756	21,261	9,495
Purchased prof. educational services	104,859	20,000	124,859	124,786	73
General Supplies	5,500	-	5,500	2,243	3,257
Total preschool disabilities - part-time	<u>235,784</u>	<u>3,819</u>	<u>239,603</u>	<u>224,693</u>	<u>14,910</u>
Home Instruction					
Salaries of teachers	36,000	(20,000)	16,000	2,179	13,821
Purchased prof. educational services	18,000	-	18,000	10,428	7,572
Total home instruction	<u>54,000</u>	<u>(20,000)</u>	<u>34,000</u>	<u>12,607</u>	<u>21,393</u>
Total Special Education - Instruction	<u>2,589,903</u>	<u>131,076</u>	<u>2,720,979</u>	<u>2,640,205</u>	<u>80,774</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	784,205	(2,500)	781,705	739,577	42,128
General supplies	11,732	2,500	14,232	13,990	242
Total basic skills/remedial - instruction	<u>795,937</u>	<u>-</u>	<u>795,937</u>	<u>753,567</u>	<u>42,370</u>
Bilingual Education - Instruction					
Salaries of teachers	140,700	-	140,700	138,765	1,935
General supplies	4,000	-	4,000	1,616	2,384
Total bilingual education - instruction	<u>144,700</u>	<u>-</u>	<u>144,700</u>	<u>140,381</u>	<u>4,319</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Cocurricular Act - Instruction:					
Salaries of teachers	\$ 121,000	\$ (6,100)	\$ 114,900	\$ 101,285	\$ 13,615
Purchased services	5,500	3,000	8,500	6,959	1,541
Supplies and materials	12,600	-	12,600	8,964	3,636
Other objects	7,500	5,000	12,500	9,800	2,700
Total school-sponsored cocurr. act. - instruc.	<u>146,600</u>	<u>1,900</u>	<u>148,500</u>	<u>127,008</u>	<u>21,492</u>
School-Sponsored Athletics - Instruction:					
Salaries of teachers	472,850	14,391	487,241	486,719	522
Purchased services	104,000	1,601	105,601	103,142	2,459
Supplies and materials	50,000	(283)	49,717	49,422	295
Other objects	10,000	-	10,000	9,702	298
Total school-sponsored athletics - instruc.	<u>636,850</u>	<u>15,709</u>	<u>652,559</u>	<u>648,985</u>	<u>3,574</u>
Before/After School Programs - Instruction:					
Salaries of teachers	4,500	-	4,500	2,108	2,392
Total school-sponsored athletics - instruc.	<u>4,500</u>	<u>-</u>	<u>4,500</u>	<u>2,108</u>	<u>2,392</u>
Total Instruction	<u>15,214,996</u>	<u>(2,179)</u>	<u>15,212,817</u>	<u>14,593,594</u>	<u>619,223</u>
Undistributed Expenditures - Instruction					
Tuition to other LEA's within the state - regular	49,000	-	49,000	48,350	650
Tuition to other LEA's within the state - special	52,254	(15,000)	37,254	16,634	20,620
Tuition to county voc. school district - regular	47,500	-	47,500	37,655	9,845
Tuition to CSSD & reg. day schools	326,710	20,000	346,710	308,632	38,078
Tuition to priv. sch. for the disabled in state	123,054	(76,129)	46,925	23,629	23,296
Tuition - state facilities	64,612	-	64,612	64,612	-
Tuition - other	78,524	-	78,524	67,577	10,947
Total undistributed expenditures - instruction	<u>741,654</u>	<u>(71,129)</u>	<u>670,525</u>	<u>567,089</u>	<u>103,436</u>
Attendance and Social Work:					
Salaries	16,940	1,433	18,373	18,373	-
Total attendance and social work	<u>16,940</u>	<u>1,433</u>	<u>18,373</u>	<u>18,373</u>	<u>-</u>
Health Services:					
Salaries	377,400	(687)	376,713	376,650	63
Purchased professional and tech. services	28,000	-	28,000	27,315	685
Other purchased services	300	-	300	165	135
Supplies and materials	8,000	-	8,000	7,502	498
Total health services	<u>413,700</u>	<u>(687)</u>	<u>413,013</u>	<u>411,632</u>	<u>1,381</u>
Speech, OT, PT & Related Services:					
Salaries	284,100	(650)	283,450	281,583	1,867
Purchased professional and educ. services	20,000	(9,700)	10,300	10,300	-
Supplies and materials	3,000	16,000	19,000	17,372	1,628
Total speech, ot, pt, & related services	<u>307,100</u>	<u>5,650</u>	<u>312,750</u>	<u>309,255</u>	<u>3,495</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Support Services Student - Extra:					
Salaries	\$ 131,662	\$ (1,655)	\$ 130,007	\$ 129,675	\$ 332
Purchased professional - educ. services	206,859	28,779	235,638	235,538	100
Total other support services student - extra	338,521	27,124	365,645	365,213	432
Guidance:					
Salaries of other professional staff	346,439	442	346,881	339,548	7,333
Salaries of secretarial and clerical assistants	78,000	250	78,250	78,225	25
Purchased professional - educ. services	50,909	(525)	50,384	45,908	4,476
Other purchased prof. and tech. services	23,250	-	23,250	9,856	13,394
Other purchased services	500	-	500	185	315
Supplies and materials	5,800	-	5,800	1,956	3,844
Other objects	1,000	-	1,000	320	680
Total guidance	505,898	167	506,065	475,998	30,067
Child Study Teams:					
Salaries of other professional staff	674,185	17,968	692,153	677,730	14,423
Salaries of secretarial and clerical assistants	75,400	-	75,400	75,400	-
Purchased professional - educ services	25,344	(10,600)	14,744	8,559	6,185
Miscellaneous purchased services	15,000	(10,755)	4,245	873	3,372
Supplies and materials	10,000	17,100	27,100	22,306	4,794
Other Objects	20,000	(20,000)	-	-	-
Total child study teams	819,929	(6,287)	813,642	784,868	28,774
Improvement of Instructional Services:					
Salaries of supervisor of instruction	469,050	13,536	482,586	482,586	-
Salaries of other professional staff	30,000	68	30,068	30,068	-
Salaries of secretarial and clerical assistants	9,879	-	9,879	9,862	17
Purchased professional - educ services	29,450	(1,268)	28,182	13,011	15,171
Supplies and materials	900	-	900	748	152
Total improvement of instructional services	539,279	12,336	551,615	536,275	15,340
Educational Media Services/School Library:					
Salaries	270,768	50,347	321,115	314,780	6,335
Purchased professional - educ services	1,500	1,500	1,500	1,500	-
Supplies and materials	20,380	(1,509)	18,871	16,877	1,994
Total educational media services/school library	291,148	50,338	341,486	333,157	8,329
Instructional Staff Training Services:					
Salaries of supervisors of instruction	292,913	9,221	302,134	302,134	-
Salaries of secretarial and clerical assistants	11,879	-	11,879	10,512	1,367
Purchased professional - educ services	3,800	1,200	5,000	4,970	30
Other purchased services (400-500 series)	41,000	-	41,000	36,015	4,985
Total instructional staff training services	349,592	10,421	360,013	353,631	6,382

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
General Administration:					
Salaries	\$ 302,510	\$ 2,071	\$ 304,581	\$ 304,581	\$ -
Legal services	55,000	19,000	74,000	70,396	3,604
Audit fees	25,000	6,200	31,200	31,200	-
Other purchased professional services	63,510	(23,525)	39,985	34,836	5,149
Communications / telephone	58,125	(1,945)	56,180	56,179	1
BOE other purchased services	1,000	-	1,000	-	1,000
Other purchased services	104,232	18,494	122,726	116,224	6,502
General supplies	3,000	-	3,000	2,411	589
Judgements against school districts	-	98,373	98,373	98,373	-
Miscellaneous expenditures	5,500	-	5,500	3,223	2,277
BOE membership dues and fees	17,300	(136)	17,164	16,909	255
Total general administration	635,177	118,532	753,709	734,332	19,377
School Administration:					
Salaries of principals/assist. principals	830,419	20,367	850,786	850,786	-
Salaries of secretarial and clerical assistants	411,450	6,057	417,507	417,507	-
Other purchased services	13,250	165	13,415	12,811	604
Supplies and materials	11,898	-	11,898	8,608	3,290
Other objects	11,500	-	11,500	10,057	1,443
Total school administration	1,278,517	26,589	1,305,106	1,299,769	5,337
Central Services:					
Salaries	343,947	(350)	343,597	343,324	273
Purchased professional services	10,932	2,701	13,633	13,422	211
Purchased technical services	24,944	2,000	26,944	26,752	192
Miscellaneous purchased services	850	2,000	2,850	2,431	419
Supplies	10,000	(1,850)	8,150	8,124	26
Miscellaneous expenditures	3,093	200	3,293	3,287	6
Total central services	393,766	4,701	398,467	397,340	1,127
Administrative Inform. Technology:					
Salaries	8,323	750	9,073	9,073	-
Total administrative inform. technology	8,323	750	9,073	9,073	-
Required Maintenance School Facilities:					
Salaries	579,725	18,014	597,739	597,739	-
Cleaning, repair, and maintenance services	135,850	46,000	181,850	175,223	6,627
General supplies	222,500	1,590	224,090	223,804	286
Other objects	2,800	-	2,800	1,151	1,649
Total required maintenance school facilities	940,875	65,604	1,006,479	997,917	8,562
Custodial Services:					
Salaries	1,124,773	(1,847)	1,122,926	1,110,398	12,528
Purchased professional and tech. services	19,450	-	19,450	19,045	405
Cleaning, repair, and maintenance services	67,650	-	67,650	58,272	9,378
Other purchased property services	81,800	-	81,800	79,120	2,680
Insurance	98,650	-	98,650	98,090	560
Miscellaneous purchased services	3,500	-	3,500	3,410	90
General supplies	118,800	-	118,800	112,177	6,623
Energy (Natural Gas)	133,000	1,500	134,500	134,173	327
Energy (Electricity)	437,500	(1,500)	436,000	366,660	69,340
Other objects	12,800	-	12,800	2,540	10,260
Total custodial services	2,097,923	(1,847)	2,096,076	1,983,885	112,191

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care and Upkeep of Grounds					
Other objects	\$ 3,000	\$ -	\$ 3,000	\$ 1,262	\$ 1,738
Total care and upkeep of grounds	3,000	-	3,000	1,262	1,738
Security:					
Salaries	91,000	55,947	146,947	146,947	-
Purchased professional and tech. services	65,000	(46,000)	19,000		19,000
Total security	156,000	9,947	165,947	146,947	19,000
Total operation & maint. of plant services	3,197,798	73,704	3,271,502	3,130,011	141,491
Student Transportation Services:					
Salaries pupil trans. Other than bet home/school	1,700	-	1,700	188	1,512
Management fee - ESC trans. program	15,870	3,500	19,370	17,466	1,904
Contr serv - Aid in Lieu Payments - Charter School	9,900	-	9,900	6,188	3,712
Contr serv (bet. home and school) - Vendors	39,600	(5,100)	34,500	2,234	32,266
Contr. serv. (not bet. home & school) - Vendors	206,200	(47,940)	158,260	132,344	25,916
Contr. serv. (special ed. students.) - ESC	306,000	39,000	345,000	340,563	4,437
Misc. purchased services - transportation	500	1,600	2,100	1,305	795
Total student transportation services	579,770	(8,940)	570,830	500,288	70,542
Unallocated Benefits - Employee Benefits:					
Social security contributions	407,431	1,600	409,031	408,758	273
Other retirement contributions - PERS	404,636	(3,194)	401,442	401,442	-
Workmen's Compensation	159,847	5,369	165,216	155,445	9,771
Health benefits	4,992,409	(300,242)	4,692,167	4,302,870	389,297
Tuition reimbursement	54,500	3,000	57,500	49,500	8,000
Other employee benefits	180,281	1,594	181,875	23,717	158,158
Unused sick payment to terminated/retired staff		-			-
Total unallocated benefits - employee benefits	6,199,104	(291,873)	5,907,231	5,341,732	565,499
On-behalf TPAF pension contr. (non-budgeted)		-		1,676,538	(1,676,538)
On-behalf TPAF post retirement medical (non-budgeted)				1,396,937	(1,396,937)
On-behalf TPAF - LTDI (non-budgeted)				5,153	(5,153)
Reimbursed TPAF social security contr. (non-budgeted)				1,120,103	(1,120,103)
Total Undistributed Expenditures	16,616,216	(47,171)	16,569,045	19,766,767	(3,197,722)
Total General Current Expense	31,831,212	(49,350)	31,781,862	34,360,361	(2,578,499)
CAPITAL OUTLAY:					
Equipment:					
Grades 9-12	35,000	10,850	45,850	45,850	-
School sponsored and other instr. program	12,000	7,800	19,800	19,723	77
Required maintenance for school facilities	20,400	-	20,400	16,856	3,544
Non-instructional services		30,700	30,700		30,700
Total Equipment	67,400	49,350	116,750	82,429	34,321
Facilities Acquisition and Constr. Services					
Construction services	372,249	-	372,249	370,329	1,920
Assessment for Debt Service on SDA Funding	197,346	-	197,346	197,346	-
Total Facilities Acquisition and Constr. Serv.	569,595	-	569,595	567,675	1,920
Total Capital Outlay	636,995	49,350	686,345	650,104	36,241

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
SPECIAL SCHOOLS - SUMMER:					
Instruction:					
Salaries of teachers	\$ 10,900	\$ 413	\$ 11,313	\$ 11,313	\$ -
General supplies	3,700	(413)	3,287	2,376	911
Total summer school - instruction	<u>14,600</u>	<u>-</u>	<u>14,600</u>	<u>13,689</u>	<u>911</u>
Total Special Schools	<u>14,600</u>	<u>-</u>	<u>14,600</u>	<u>13,689</u>	<u>911</u>
Transfer to Charter School	<u>136,161</u>	<u>-</u>	<u>136,161</u>	<u>125,927</u>	<u>10,234</u>
TOTAL EXPENDITURES	<u>32,618,968</u>	<u>-</u>	<u>32,618,968</u>	<u>35,150,081</u>	<u>(2,531,113)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>(2,109,490)</u>	<u>-</u>	<u>(2,109,490)</u>	<u>329,249</u>	<u>2,438,739</u>
Other Financing Sources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	<u>(2,109,490)</u>	<u>-</u>	<u>(2,109,490)</u>	<u>329,249</u>	<u>2,438,739</u>
Fund Balance - July 1, 2016	<u>5,802,548</u>	<u>-</u>	<u>5,802,548</u>	<u>5,802,548</u>	<u>-</u>
Fund Balance - June 30, 2017	<u>\$ 3,693,058</u>	<u>\$ -</u>	<u>\$ 3,693,058</u>	<u>\$ 6,131,797</u>	<u>\$ 2,438,739</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital reserve				\$ 1,137,539	
Maintenance reserve				250,000	
Excess surplus				2,016,939	
Excess surplus - designated for subsequent year's expenditures				2,012,729	
Assigned Fund Balance:					
Year-end encumbrances				65,495	
Unassigned Fund Balance				<u>649,095</u>	
				6,131,797	
Last State Aid Payment not Recognized on a GAAP Basis				<u>(985,922)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 5,145,875</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources	\$ 14,747	\$ -	\$ 14,747	\$ 4,747	\$ (10,000)
State sources	216,383	-	216,383	97,905	(118,478)
Federal sources	1,306,918	-	1,306,918	1,157,257	(149,661)
Total Revenues	<u>1,538,048</u>	<u>-</u>	<u>1,538,048</u>	<u>1,259,909</u>	<u>(278,139)</u>
EXPENDITURES:					
Instruction:					
Salaries	348,432	(4,413)	344,019	317,564	26,455
Purchased prof. - tech. serv.	251,839	-	251,839	115,844	135,995
Other purchased services	377,841	(73)	377,768	335,022	42,746
Textbooks	8,877	-	8,877	8,353	524
General supplies	184,062	2,155	186,217	164,684	21,533
Other Objects	683	-	683	683	-
Total instruction	<u>1,171,734</u>	<u>(2,331)</u>	<u>1,169,403</u>	<u>942,150</u>	<u>227,253</u>
Support services:					
Salaries of supervisor of instruction	145,869	(44,300)	101,569	101,569	-
Salaries	20,000	44,243	64,243	44,066	20,177
Personal services - employee benefits	74,923	5,041	79,964	79,774	190
Purchased professional - tech. services	62,210	-	62,210	58,971	3,239
Purchased professional - educ. services	13,400	40	13,440	10,440	3,000
Other purchased services	13,992	(605)	13,387	9,769	3,618
Travel	134	-	134	134	-
Supplies and materials	24,167	(2,082)	22,085	2,068	20,017
Other objects	645	-	645	645	645
Total support services	<u>355,340</u>	<u>2,337</u>	<u>357,677</u>	<u>306,791</u>	<u>50,886</u>
Facilities acquisition and construction services:					
Instructional equipment	10,974	(6)	10,968	10,968	-
Noninstructional equipment	-	-	-	-	-
Total facilities acq. and const. services	<u>10,974</u>	<u>(6)</u>	<u>10,968</u>	<u>10,968</u>	<u>-</u>
Total Expenditures	<u>1,538,048</u>	<u>-</u>	<u>1,538,048</u>	<u>1,259,909</u>	<u>278,139</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COLLINGSWOOD SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2017

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP
Revenues and Expenditures**

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 35,479,330	\$ 1,259,909
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	961,465	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(985,922)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 35,454,873</u>	<u>\$ 1,259,909</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 35,150,081	\$ 1,259,909
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered in the prior year but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 35,150,081</u>	<u>\$ 1,259,909</u>

Required Supplementary Information - Part III
Schedules Related to Accounting and Reporting
For Pensions (GASB 68)

COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Four Fiscal Years

	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0477887017%	0.0484542968%	0.0504615815%	0.0464957527%
District's proportionate share of the net pension liability (asset)	\$ 14,153,643	\$ 10,877,019	\$ 9,447,788	\$ 8,886,262
District's covered-employee payroll	3,340,022	3,195,602	3,328,339	3,312,110
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	423.76%	340.37%	283.86%	268.30%
Plan fiduciary net position as a percentage of the total pension liability	31.20%	38.21%	42.74%	40.71%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Contributions
Public Employees Retirement System
Last Four Fiscal Years

	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 439,832	\$ 424,548	\$ 416,577	\$ 415,998
Contributions in relation to the contractually required contributions	<u>(439,832)</u>	<u>(424,548)</u>	<u>(416,577)</u>	<u>(415,998)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	3,340,022	3,195,602	3,328,339	3,312,110
Contributions as a percentage of covered-employee payroll	13.17%	13.29%	12.52%	12.56%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Four Fiscal Years

	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2015
District's proportion of the net pension liability (asset)	0.1469451357%	0.1427243362%	0.1420654688%	0.1404208352%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>115,596,400</u>	<u>90,207,875</u>	<u>75,929,369</u>	<u>70,967,586</u>
Total	<u>\$ 115,596,400</u>	<u>\$ 90,207,875</u>	<u>\$ 75,929,369</u>	<u>\$ 70,967,586</u>
District's covered-employee payroll	\$ 15,587,259	\$ 15,475,631	\$ 15,143,415	\$ 15,069,574
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

Collingswood School District
Notes to Required Supplementary Information
Pension Schedules
For the Fiscal Year Ended June 30, 2017

1. Teacher's Pension and Annuity Fund (TPAF)

Changes of benefit term: The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Changes of assumptions: Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

2. Public Employees' Retirement System (PERS)

Changes of benefit term: The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of assumptions: Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 3 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

Other Supplementary Information

Special Revenue Fund

COLLINGSWOOD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2017

	Inclusive Schools Climate Initiative		Total Other Prog. (See E-1A)	Total Other Prog. (See E-1B)	Total
	Garfield	Tatem			
REVENUES:					
Local sources	\$ 2,500	\$ 2,247	\$ -	\$ -	\$ 4,747
State sources			97,905	-	97,905
Federal sources				1,157,257	1,157,257
Total Revenues	<u>2,500</u>	<u>2,247</u>	<u>97,905</u>	<u>1,157,257</u>	<u>1,259,909</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers				317,564	317,564
Purchased prof. and tech. serv.	2,500	1,355	65,428	46,561	115,844
Other purchased services				335,022	335,022
Textbooks			8,353		8,353
General supplies		892	10,403	153,389	164,684
Other Objects				683	683
Total instruction	<u>2,500</u>	<u>2,247</u>	<u>84,184</u>	<u>853,219</u>	<u>942,150</u>
Support services:					
Salaries - supervisor of instruction				101,569	101,569
Salaries				44,066	44,066
Personal services-employee benefits				79,774	79,774
Purchased prof. - tech. services			13,721	45,250	58,971
Purchased prof. - educ. services				10,440	10,440
Other purchased services				9,769	9,769
Travel				134	134
Supplies				2,068	2,068
Total support services			<u>13,721</u>	<u>293,070</u>	<u>306,791</u>
Facilities acquisition and const. serv.:					
Instructional equipment				10,968	10,968
Total facilities acq. and const. serv.				<u>10,968</u>	<u>10,968</u>
Total Expenditures	<u>2,500</u>	<u>2,247</u>	<u>97,905</u>	<u>1,157,257</u>	<u>1,259,909</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COLLINGSWOOD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2017

	<u>Nonpublic Comp. Ed.</u>	<u>Nonpublic Security</u>	<u>Nonpublic Exam & Class.</u>	<u>Nonpublic Speech</u>	<u>Nonpublic Supplemental Instruction</u>	<u>Nonpublic Textbooks</u>	<u>Nonpublic Nursing</u>	<u>Nonpublic Technology</u>	<u>Total</u>
REVENUES:									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	41,028	7,200	7,205	12,016	5,179	8,353	13,721	3,203	97,905
Federal sources									
Total Revenues	<u>41,028</u>	<u>7,200</u>	<u>7,205</u>	<u>12,016</u>	<u>5,179</u>	<u>8,353</u>	<u>13,721</u>	<u>3,203</u>	<u>97,905</u>
EXPENDITURES:									
Instruction:									
Purchased prof. and tech. serv.	41,028		7,205	12,016	5,179				65,428
Textbooks						8,353			8,353
General supplies		7,200						3,203	10,403
Total instruction	<u>41,028</u>	<u>7,200</u>	<u>7,205</u>	<u>12,016</u>	<u>5,179</u>	<u>8,353</u>		<u>3,203</u>	<u>84,184</u>
Support services:									
Purchased prof. - tech. services							13,721		13,721
Other purchased services									
Total support services							<u>13,721</u>		<u>13,721</u>
Facilities acquisition and const. serv.:									
Instructional equipment									
Total facilities acq. and const. serv.									
Total Expenditures	<u>41,028</u>	<u>7,200</u>	<u>7,205</u>	<u>12,016</u>	<u>5,179</u>	<u>8,353</u>	<u>13,721</u>	<u>3,203</u>	<u>97,905</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COLLINGSWOOD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2017

	Title I	Title I Arts	Title IIA	Title III	Title III Immigrant	IDEA Basic	IDEA Preschool	Total
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources								-
Federal sources	437,512	98,093	38,930	9,887	878	560,188	11,769	1,157,257
Total Revenues	437,512	98,093	38,930	9,887	878	560,188	11,769	1,157,257
EXPENDITURES:								
Instruction:								
Salaries of teachers	226,849	24,056	15,512		878	38,500	11,769	317,564
Purchased prof. - tech. services						46,561		46,561
Other purchased services						335,022		335,022
General supplies	42,607	50,227		9,887		50,668		153,389
Other Object		683						683
Total instruction	269,456	74,966	15,512	9,887	878	470,751	11,769	853,219
Support services:								
Salaries - supervisor of instruction	95,819	5,750						101,569
Salaries			9,750			34,316		44,066
Personal services-employee benefits	66,948	2,154				10,672		79,774
Purchased prof. - tech. services		2,250				43,000		45,250
Purchased prof. - educ. services			10,440					10,440
Other purchased services	795	5,746	3,228					9,769
Travel		134						134
Supplies		619				1,449		2,068
Total support services	163,562	16,653	23,418			89,437		293,070
Facilities acquisition and const. serv.:								
Instructional equipment	4,494	6,474						10,968
Total facilities acq. and const. serv.	4,494	6,474						10,968
Total Expenditures	437,512	98,093	38,930	9,887	878	560,188	11,769	1,157,257
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Proprietary Funds

COLLINGSWOOD SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-Type Activities Enterprise Funds		Governmental Activities Internal Service Funds
	Food Service	Summer Theater	Maintenance Services
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 110,265	\$ 13,786	\$ 373,343
Intergovernmental receivables:			
State Aid	216		
Federal Aid	15,814		
Interfund			1
Other			9,942
Inventories	16,814		
Total current assets	<u>143,109</u>	<u>13,786</u>	<u>383,286</u>
Noncurrent Assets:			
Equipment	275,456		
Less - accumulated depreciation	<u>(159,592)</u>		
Total Noncurrent Assets	<u>115,864</u>		
Total Assets	<u>258,973</u>	<u>13,786</u>	<u>383,286</u>
LIABILITIES:			
Current liabilities:			
Interfund payable			379,723
Accounts payable			3,563
Unearned revenue	5,119	8,160	
Total Liabilities	<u>5,119</u>	<u>8,160</u>	<u>383,286</u>
NET POSITION:			
Net investment in capital assets	115,864		
Reserve for encumbrances			
Unrestricted	137,990	5,626	
Total Net Position	<u>\$ 253,854</u>	<u>\$ 5,626</u>	<u>\$ -</u>

COLLINGSWOOD SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2017

	Business-Type Activities Enterprise Funds		Governmental Activities Internal Service Funds
	Food Service	Summer Theater	Maintenance Services
Operating Revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 93,722	\$ -	\$ -
Daily sales - non-reimbursable programs	113,076		
Maintenance fees from other LEA's			795,404
Miscellaneous		28,558	
Special functions	2,344		
Total Operating Revenues	<u>209,142</u>	<u>28,558</u>	<u>795,404</u>
Operating Expenses:			
Cost of sales-Reimbursable	223,583		
Cost of sales-Nonreimbursable	38,875		
Salaries	261,059	15,801	
Supplies	22,785	4,660	
Purchased Services	33,409	9,037	
Other costs	22,064		795,404
Depreciation	17,445		
Total Operating Expenses	<u>619,220</u>	<u>29,498</u>	<u>795,404</u>
Operating Income (Loss)	<u>(410,078)</u>	<u>(940)</u>	
Nonoperating Revenues (Expenses):			
State sources:			
State school lunch program	5,640		
Federal sources:			
National school lunch program	263,734		
National school breakfast program	99,290		
Food distribution program	39,172		
Interest on investments	173		
Transfers			
Contributing Capital			
Total Nonoperating Revenues	<u>408,009</u>		
Change in Net Position	(2,069)	(940)	
Net Position - July 1, 2016	<u>255,923</u>	<u>6,566</u>	
Net Position - June 30, 2017	<u>\$ 253,854</u>	<u>\$ 5,626</u>	<u>\$ -</u>

COLLINGSWOOD SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2017

	Business-Type Activities Enterprise Funds		Governmental Activities Internal Service Funds
	Food Service	Summer Theater	Maintenance Services
Cash Flows from Operating Activities:			
Cash receipts from customers	\$ 211,424	\$ 20,018	\$ 1,232,949
Cash receipts from vendor	22,771		
Cash payments to employees for services	(261,059)	(15,801)	(1,165,994)
Cash payments to suppliers for goods and services	(335,415)	(18,697)	
Net cash used by operating activities	<u>(362,279)</u>	<u>(14,480)</u>	<u>66,955</u>
Cash Flows from Noncapital Financing Activities:			
Cash received from state sources	5,693		
Cash received from federal sources	365,707		
Operating transfer in/out			
Net cash provided by noncapital financing activities	<u>371,400</u>		
Cash Flows Used by Capital and Related Financing Activities:			
Purchase of equipment			
Cash Flow Provided by Investing Activities:			
Interest on cash equivalents	173		
Net increase (decrease) in cash and cash equivalents	9,294	(14,480)	66,955
Cash and cash equivalents - July 1, 2016	100,971	28,266	306,388
Cash and cash equivalents - June 30, 2017	<u>\$ 110,265</u>	<u>\$ 13,786</u>	<u>\$ 373,343</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (410,078)	\$ (940)	\$ -
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:			
Depreciation	17,445		
Commodities	39,172		
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	59		(4,465)
(Increase) decrease in inventory	(5,506)		
(Increase) decrease in interfund receivable	22,712		
Increase (decrease) in interfund payable			67,857
Increase (decrease) in unearned revenue	2,283	(8,540)	
Increase (decrease) in accounts payable	(28,366)	(5,000)	3,563
Net cash provided by (used for) operating activities	<u>\$ (362,279)</u>	<u>\$ (14,480)</u>	<u>\$ 66,955</u>

Fiduciary Funds

COLLINGSWOOD SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2017

	Trust Funds			Agency Funds		Totals
	Unemployment Compensation Insurance Trust	Flexible Benefits Trust	Scholarship Trust	Student Activity	Payroll	
ASSETS:						
Cash and cash equivalents	\$ 784,308	\$ 9,445	\$ 188,462	\$ 183,501	\$ 167,006	\$ 1,332,722
Total Assets	<u>784,308</u>	<u>9,445</u>	<u>188,462</u>	<u>\$ 183,501</u>	<u>\$ 167,006</u>	<u>1,332,722</u>
LIABILITIES:						
Payroll deductions and withholdings Due to student groups	6,582			183,501	167,006	173,588 183,501
Total Liabilities	<u>6,582</u>			<u>\$ 183,501</u>	<u>\$ 167,006</u>	<u>357,089</u>
NET POSITION:						
Held in trust for payment of claims Held in trust for scholarships	777,726	9,445	188,462			787,171 188,462
Total Net Position	<u>\$ 777,726</u>	<u>\$ 9,445</u>	<u>\$ 188,462</u>			<u>\$ 975,633</u>

COLLINGSWOOD SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2017

	<u>Flexible Benefits Trust Fund</u>	<u>Scholarship Trust Fund</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
ADDITIONS:				
Interest on investments	\$ 11	\$ -	\$ 4,176	\$ 4,187
Contributions	<u>24,000</u>	<u>28,913</u>	<u>34,389</u>	<u>87,302</u>
Total Additions	<u>24,011</u>	<u>28,913</u>	<u>38,565</u>	<u>91,489</u>
DEDUCTIONS:				
Claims paid	28,100		11,524	39,624
Scholarships paid		<u>36,481</u>		<u>36,481</u>
Total Deductions	<u>28,100</u>	<u>36,481</u>	<u>11,524</u>	<u>76,105</u>
Change in Net Position	(4,089)	(7,568)	27,041	15,384
Net Position -- July 1, 2016	<u>13,534</u>	<u>196,030</u>	<u>750,685</u>	<u>960,249</u>
Net Position -- June 30, 2017	<u>\$ 9,445</u>	<u>\$ 188,462</u>	<u>\$ 777,726</u>	<u>\$ 975,633</u>

COLLINGSWOOD SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2017

	<u>Balance June 30, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Transfers</u>	<u>Balance June 30, 2017</u>
Elementary Schools	\$ 28,498	\$ 45,404	\$ 41,114	\$ -	\$ 32,788
Middle School	20,952	62,561	70,668	2,295	15,140
High School	114,254	263,456	258,172	(2,475)	117,063
Athletics	24,009	103,971	110,157	(120)	17,703
District	407	1,000	900	300	807
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total all schools	<u>\$ 188,120</u>	<u>\$ 476,392</u>	<u>\$ 481,011</u>	<u>\$ -</u>	<u>\$ 183,501</u>

COLLINGSWOOD SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2017

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
ASSETS:				
Cash and cash equivalents	\$ 160,110	\$ 22,715,760	\$ 22,708,864	\$ 167,006
Total Assets	<u>\$ 160,110</u>	<u>\$ 22,715,760</u>	<u>\$ 22,708,864</u>	<u>\$ 167,006</u>
LIABILITIES:				
Net payroll	\$ -	\$ 12,066,138	\$ 12,066,138	\$ -
Interfund payable		4,134	4,134	
Payroll deductions and withholdings	<u>160,110</u>	<u>10,645,488</u>	<u>10,638,592</u>	<u>167,006</u>
Total Liabilities	<u>\$ 160,110</u>	<u>\$ 22,715,760</u>	<u>\$ 22,708,864</u>	<u>\$ 167,006</u>

Long-Term Debt Schedules

COLLINGSWOOD SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2017

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance June 30, 2016	Issued	Retired	Balance June 30, 2017
			Date	Amount					
Refunding School Bonds	12/01/12	14,775,000	6/1/2018	\$ 820,000	3.000%	\$ 13,890,000	\$ -	\$ 775,000	\$ 13,115,000
			6/1/2019	840,000	4.000%				
			6/1/2020	860,000	4.000%				
			6/1/2021	910,000	4.000%				
			6/1/2022	910,000	4.000%				
			6/1/2023	955,000	4.000%				
			6/1/2024	1,010,000	5.000%				
			6/1/2025	1,070,000	5.000%				
			6/1/2026	1,120,000	4.000%				
			6/1/2027	1,135,000	2.500%				
			6/1/2028	1,140,000	2.500%				
			6/1/2029	1,170,000	2.750%				
			6/1/2030	1,175,000	2.750%				
						\$ 13,890,000	\$ -	\$ 775,000	\$ 13,115,000

COLLINGSWOOD SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 1,272,013	\$ -	\$ 1,272,013	\$ 1,272,013	\$ -
Miscellaneous					
Total Revenues	<u>1,272,013</u>		<u>1,272,013</u>	<u>1,272,013</u>	
EXPENDITURES:					
Regular debt service:					
Redemption of principal	775,000		775,000	775,000	
Interest	497,013		497,013	497,013	
Total regular debt service	<u>1,272,013</u>		<u>1,272,013</u>	<u>1,272,013</u>	-
Excess (Deficiency) of revenues over (under) expenditures	-		-	-	
Other Financing Sources:					
Operating transfers in				-	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	-		-	-	
Fund Balance - July 1, 2016					
Fund Balance - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Statistical Section

Collingswood School District
 Net Position by Component,
 Last Ten Fiscal Years
 (accrual basis of accounting)

Fiscal Year Ending June 30,

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
Net investment in capital assets	\$ 21,197,077	\$ 20,869,898	\$ 20,448,749	\$ 20,075,116	\$ 19,552,212	\$ 19,498,672	\$ 18,776,461	\$ (5,499,663)	\$ (4,866,594)	\$ (4,069,608)
Restricted for:										
Capital projects	1,431,595	666,895	580,221	345,784	448,784	951,244	704,304	813,471	815,505	1,137,539
Debt service	297,180				91,722	38,120	19,755	1	-	-
Other purposes	2,218,943	2,121,241	3,142,781	4,841,916	6,232,436	5,715,090	5,761,323	4,780,464	4,374,319	4,345,163
Unrestricted	(484,161)	(912,611)	(1,108,657)	(834,943)	(922,763)	(841,687)	(650,882)	(9,507,297)	(9,581,189)	(10,825,870)
Total governmental activities net position	<u>\$ 24,660,634</u>	<u>\$ 22,745,423</u>	<u>\$ 23,063,094</u>	<u>\$ 24,427,873</u>	<u>\$ 25,402,391</u>	<u>\$ 25,361,439</u>	<u>\$ 24,610,961</u>	<u>\$ (9,413,024)</u>	<u>\$ (9,257,959)</u>	<u>\$ (9,412,776)</u>
Business-type activities:										
Net investment in capital assets	\$ 20,114	\$ 8,287	\$ 22,259	\$ 33,136	\$ 39,497	\$ 70,184	\$ 50,241	\$ 150,758	\$ 133,309	\$ 115,864
Unrestricted	201,055	235,878	218,361	204,576	171,649	143,325	147,058	127,500	129,180	143,616
Total business-type activities net position	<u>\$ 221,169</u>	<u>\$ 244,165</u>	<u>\$ 240,620</u>	<u>\$ 237,712</u>	<u>\$ 211,146</u>	<u>\$ 213,509</u>	<u>\$ 197,299</u>	<u>\$ 278,258</u>	<u>\$ 262,489</u>	<u>\$ 259,480</u>
District-wide:										
Net investment in capital assets	\$ 21,217,191	\$ 20,878,185	\$ 20,471,008	\$ 20,108,252	\$ 19,591,709	\$ 19,568,856	\$ 18,826,702	\$ (5,348,905)	\$ (4,733,285)	\$ (3,953,744)
Restricted:										
Capital projects	1,431,595	666,895	580,221	345,784	448,784	951,244	704,304	813,471	815,505	1,137,539
Debt service	297,180				91,722	38,120	19,755	1	-	-
Other purposes	2,218,943	2,121,241	3,142,781	4,841,916	6,232,436	5,715,090	5,761,323	4,780,464	4,374,319	4,345,163
Unrestricted	(283,106)	(676,733)	(890,296)	(630,367)	(751,114)	(698,362)	(503,824)	(9,379,797)	(9,452,009)	(10,682,254)
Total district net position	<u>\$ 24,881,803</u>	<u>\$ 22,989,588</u>	<u>\$ 23,303,714</u>	<u>\$ 24,665,585</u>	<u>\$ 25,613,537</u>	<u>\$ 25,574,948</u>	<u>\$ 24,808,260</u>	<u>\$ (9,134,766)</u>	<u>\$ (8,995,470)</u>	<u>\$ (9,153,296)</u>

Collingswood School District
 Changes in Net Position, Last Ten Fiscal Years
 (accrual basis of accounting)

		Fiscal Year Ending June 30,									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:											
Governmental activities:											
Instruction:											
Regular	\$	9,467,723	10,908,208	10,463,791	9,845,258	9,965,762	9,948,024	10,254,244	10,881,367	10,634,149	10,994,034
Special education		1,714,139	1,822,945	3,161,493	3,099,125	2,855,516	3,189,373	3,194,621	3,022,304	2,858,171	3,122,725
Other instruction		1,392,166	1,534,930	1,554,733	1,451,420	1,554,714	1,609,605	1,593,306	1,582,734	1,623,513	1,672,049
Support Services:											
Tuition		1,217,659	1,122,463	730,061	770,843	848,489	772,694	609,230	445,406	637,640	567,089
Student & instruction related services		3,406,727	3,209,559	3,478,532	3,038,583	3,145,003	3,413,607	3,414,395	3,648,677	3,732,662	3,815,419
School administrative services		1,247,196	1,387,473	1,308,976	1,321,990	1,355,675	1,364,083	1,295,442	1,250,810	1,281,363	1,299,769
General and business administrative services		882,631	1,090,433	973,339	1,058,461	1,037,843	995,355	1,103,148	1,033,253	1,059,720	1,195,804
Plant operations and maintenance		2,940,503	3,728,691	3,463,615	3,339,933	3,930,014	3,947,059	4,427,653	4,250,723	3,311,375	3,301,091
Pupil transportation		641,564	552,536	461,810	419,354	390,946	441,979	469,426	536,512	494,675	500,288
Business and other support services											
Unallocated employee benefits		7,004,060	6,770,342	6,670,967	6,950,050	7,402,029	8,323,551	8,104,380	9,002,475	9,782,831	10,997,946
Special schools		76,586	14,096	16,706	99,034	91,372	138,264	109,557	137,896	165,542	139,616
Interest on long-term debt		809,025	1,221,043	773,619	752,650	727,815	627,683	576,497	560,100	531,089	495,075
Unallocated depreciation		20,351	34,783	55,224	35,510	35,668	34,393	41,232	34,232	31,207	40,707
Total governmental activities expenses		<u>30,820,330</u>	<u>33,397,502</u>	<u>33,112,866</u>	<u>32,182,211</u>	<u>33,340,846</u>	<u>34,805,670</u>	<u>35,193,131</u>	<u>36,386,489</u>	<u>36,143,937</u>	<u>38,141,612</u>
Business-type activities:											
Food service		647,731	644,521	655,988	626,858	691,309	722,874	665,433	622,785	640,725	619,220
Summer Theater										35,574	29,498
Total business-type activities expense		<u>647,731</u>	<u>644,521</u>	<u>655,988</u>	<u>626,858</u>	<u>691,309</u>	<u>722,874</u>	<u>665,433</u>	<u>622,785</u>	<u>676,299</u>	<u>648,718</u>
Total district expenses	\$	<u>31,468,061</u>	<u>34,042,023</u>	<u>33,768,854</u>	<u>32,809,069</u>	<u>34,032,155</u>	<u>35,528,544</u>	<u>35,858,564</u>	<u>37,009,274</u>	<u>36,820,236</u>	<u>38,790,330</u>
Program Revenues:											
Governmental activities:											
Charges for services	\$	3,198,375	3,607,825	4,648,623	4,924,948	5,228,802	4,742,946	4,413,861	4,883,512	4,627,337	4,695,280
Operating grants and contributions		3,959,176	2,989,270	3,351,672	3,173,864	3,246,828	4,180,541	3,683,273	4,219,019	4,726,532	5,458,640
Capital grants and contributions		4,514,531									
Total governmental activities program revenues		<u>11,672,082</u>	<u>6,597,095</u>	<u>8,000,295</u>	<u>8,098,812</u>	<u>8,475,630</u>	<u>8,923,487</u>	<u>8,097,134</u>	<u>9,102,531</u>	<u>9,353,869</u>	<u>10,153,920</u>

(Continued)

Collingswood School District
 Changes in Net Position, Last Ten Fiscal Years
 (accrual basis of accounting)

J-2

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-type activities:										
Charges for services	\$ 356,418	\$ 345,625	\$ 317,749	\$ 304,260	\$ 299,210	\$ 307,430	\$ 233,058	\$ 191,449	\$ 249,835	\$ 237,700
Operating grants and contributions	250,046	271,892	330,752	319,109	347,813	359,117	362,920	371,489	410,561	407,836
Capital grants and contributions										
Total business type activities program revenues	606,464	617,517	648,501	623,369	647,023	666,547	595,978	562,938	660,396	645,536
Total district program revenues	\$ 12,278,546	\$ 7,214,612	\$ 8,648,796	\$ 8,722,181	\$ 9,122,653	\$ 9,590,034	\$ 8,693,112	\$ 9,665,469	\$ 10,014,265	\$ 10,799,456
Net (Expense)/Revenue:										
Governmental activities	\$ (19,148,248)	\$ (26,800,407)	\$ (25,112,571)	\$ (24,083,399)	\$ (24,865,216)	\$ (25,882,183)	\$ (27,095,997)	\$ (27,283,958)	\$ (26,790,068)	\$ (27,987,692)
Business-type activities	(41,267)	(27,004)	(7,487)	(3,489)	(44,286)	(56,327)	(69,455)	(59,847)	(15,903)	(3,182)
Total district-wide net expense	\$ (19,189,515)	\$ (26,827,411)	\$ (25,120,058)	\$ (24,086,888)	\$ (24,909,502)	\$ (25,938,510)	\$ (27,165,452)	\$ (27,343,805)	\$ (26,805,971)	\$ (27,990,874)
General Revenues and Other Changes in Net Assets:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 12,574,904	\$ 12,999,915	\$ 13,519,912	\$ 13,865,535	\$ 13,934,863	\$ 13,854,194	\$ 13,854,194	\$ 14,131,278	\$ 14,610,216	\$ 15,268,576
Taxes levied for debt service	739,777	760,000	1,275,338	1,354,713	1,354,962	1,280,826	1,295,597	1,264,634	1,279,812	1,272,013
Unrestricted grants and contributions	10,537,524	10,424,813	10,304,858	9,807,569	10,365,425	10,211,300	10,748,202	10,529,933	10,605,731	10,888,453
State aid restricted for capital projects			105,000							
Investment earnings	265,814	195,039	44,230	19,268	3,000	2,460	2,060	1,761	2,034	2,034
Miscellaneous income	180,219	555,429	142,053	567,278	180,837	538,057	498,457	261,981	447,340	601,799
Loss on disposal of assets										
State aid canceled on completed projects				(323,433)	18,367	-	-	-	-	-
Transfers	(50,000)	(50,000)	143,851	8,172	(17,720)	(8,000)	(52,991)	(22,712)	-	-
Total governmental activities	24,248,238	24,885,196	25,430,242	25,404,102	25,839,734	25,878,837	26,345,519	26,166,875	26,945,133	27,832,875
Business-type activities:										
Investment earnings						60	254	133	134	173
Contributed capital						50,630	-	-	-	-
Transfers	50,000	50,000	3,942	(8,172)	17,720	8,000	52,991	22,712	-	-
Total business-type activities	50,000	50,000	3,942	(8,172)	17,720	58,690	53,245	22,845	134	173
Total district-wide	\$ 24,298,238	\$ 24,935,196	\$ 25,434,184	\$ 25,395,930	\$ 25,857,454	\$ 25,937,527	\$ 26,398,764	\$ 26,189,720	\$ 26,945,267	\$ 27,833,048
Change in Net Position:										
Governmental activities	\$ 5,099,990	\$ (1,915,211)	\$ 317,671	\$ 1,320,703	\$ 974,518	\$ (3,346)	\$ (750,478)	\$ (1,117,083)	\$ 155,065	\$ (154,817)
Business-type activities	8,733	22,996	(3,545)	(11,661)	(26,566)	2,363	(16,210)	(37,002)	(15,769)	(3,009)
Total district-wide	\$ 5,108,723	\$ (1,892,215)	\$ 314,126	\$ 1,309,042	\$ 947,952	\$ (983)	\$ (766,688)	\$ (1,154,085)	\$ 139,296	\$ (157,826)

Collingswood School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Restricted for										
Capital reserve	\$ 316,653	\$ 225,625	\$ 234,204	\$ 345,784	\$ 448,784	\$ 951,244	\$ 704,304	\$ 813,471	\$ 815,505	\$ 1,137,539
Excess surplus	567,159	650,322	1,348,469	2,234,598	2,313,050	2,402,196	2,376,577	2,017,432	2,012,729	2,016,939
Future tuition payments		210,000	430,000	850,000	850,000	430,000	-	-	-	-
Maintenance reserve						250,000	250,000	250,000	250,000	250,000
Assigned to:										
Year-end Encumbrances	351,784	416,341	248,025	90,882	472,335	197,842	90,088	78,818	40,483	65,495
Designated for subsequent year's budget	1,300,000	750,000	1,077,502	1,348,469	2,531,533	2,435,052	2,533,825	2,376,577	2,071,107	2,012,729
ARRA/SEMI - Designated for subsequent year's budget								27,712	-	-
Unassigned	43,348	(377,325)	(519,813)	(312,147)	(394,584)	(332,807)	(355,456)	(379,366)	(348,741)	(336,827)
Total general fund	<u>\$ 2,578,944</u>	<u>\$ 1,874,963</u>	<u>\$ 2,818,387</u>	<u>\$ 4,557,586</u>	<u>\$ 6,221,118</u>	<u>\$ 6,333,527</u>	<u>\$ 5,599,338</u>	<u>\$ 5,184,644</u>	<u>\$ 4,841,083</u>	<u>\$ 5,145,875</u>
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund	\$ (9,944)	\$ 29,915	\$ 26,680	\$ 62,106	\$ 65,518	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects fund	1,114,942	505,933	358,122	255,860			510,833	-	-	-
Debt service fund	297,180		58,084	73,356	91,722	38,120	19,755	1	-	-
Total all other governmental funds	<u>\$ 1,402,178</u>	<u>\$ 535,848</u>	<u>\$ 442,886</u>	<u>\$ 391,322</u>	<u>\$ 157,240</u>	<u>\$ 38,120</u>	<u>\$ 530,588</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>

Collingswood School District
 Changes in Fund Balances, Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

		Fiscal Year Ending June 30,									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues											
	Tax levy	\$ 13,314,681	\$ 13,759,915	\$ 14,795,250	\$ 15,220,248	\$ 15,289,825	\$ 15,135,020	\$ 15,149,791	\$ 15,395,912	\$ 15,890,028	\$ 16,540,589
	Tuition charges	3,198,375	3,607,825	4,648,623	4,924,948	4,736,771	4,289,216	4,413,861	4,883,512	4,627,337	4,695,280
	Interest earnings	345,158	195,039	44,230	19,268	3,000	2,460	2,060	1,761	2,034	2,034
	Miscellaneous	430,219	555,429	142,054	567,278	246,133	458,027	498,457	261,981	447,340	606,546
	State sources	18,160,652	12,469,909	10,990,050	11,899,773	12,507,606	13,425,090	13,483,918	13,566,973	14,312,299	14,892,110
	Federal sources	858,112	944,174	2,666,480	1,186,660	1,104,647	966,743	947,557	1,181,979	1,019,964	1,250,236
	Total revenue	36,307,197	31,532,291	33,286,687	33,818,175	33,887,982	34,276,556	34,495,644	35,292,118	36,299,002	37,986,795
Expenditures											
Instruction											
	Regular Instruction	9,708,373	10,038,027	9,218,002	9,024,146	9,156,935	9,100,374	9,343,192	10,267,722	10,412,950	10,740,970
	Special education instruction	1,714,139	1,822,945	3,161,493	3,099,125	2,855,516	3,189,373	3,194,621	3,022,304	2,858,171	3,122,725
	Other instruction	1,392,166	1,534,930	1,554,733	1,451,420	1,554,714	1,609,605	1,593,306	1,582,734	1,623,513	1,672,049
Support Services:											
	Tuition	1,217,659	1,082,234	730,601	770,843	848,489	772,694	609,230	445,406	637,640	567,089
	Student & instruction related services	3,406,727	3,209,559	3,478,532	3,038,583	3,145,003	3,413,607	3,414,395	3,648,677	3,732,662	3,815,419
	School administrative services	1,247,196	1,387,473	1,308,976	1,321,990	1,355,675	1,364,083	1,295,442	1,250,810	1,281,363	1,299,769
	General and business admin. services	845,887	992,022	893,472	913,792	936,775	892,174	990,925	964,790	997,347	1,140,745
	Plant operations and maintenance	2,867,015	3,112,016	3,130,836	2,991,063	2,789,911	2,877,765	3,206,745	3,235,748	3,150,310	3,130,011
	Pupil transportation	641,564	552,536	461,810	419,354	390,946	441,979	469,426	536,512	494,675	500,288
	Other support services	7,004,060	6,770,342	6,670,967	6,950,050	7,402,029	8,323,551	8,104,380	8,880,918	9,444,269	9,620,237
	Special Schools	27,159	14,096	16,706	12,076	7,618	1,617	949	6,198	19,439	13,689
	Charter Schools	49,427	40,229	100,847	86,958	83,754	136,647	108,608	131,698	146,103	125,927
	Capital outlay	12,180,517	823,603	449,403	381,166	576,851	808,680	1,039,193	956,782	564,309	661,072
Debt service:											
	Principal	400,000	450,000	500,000	600,000	625,000	705,000	735,000	735,000	760,000	775,000
	Interest and other charges	810,400	1,222,590	775,337	754,713	729,963	638,118	578,962	549,388	519,813	497,013
	Total expenditures	43,512,289	33,052,602	32,451,715	31,815,279	32,459,179	34,275,267	34,684,374	36,214,687	36,642,564	37,682,003
	Excess (Deficiency) of revenues over (under) expenditures	(7,205,092)	(1,520,311)	834,972	2,002,896	1,428,803	1,289	(188,730)	(922,569)	(343,562)	304,792
Other Financing sources (uses)											
Proceeds from borrowing											
	Due to state for prior year overpayment	(7,533)									
	Prior year arbitrage rebate canceled			19,432							
	Accrued interest on sale of bonds										
	Prior year state aid receivable canceled				(323,433)	18,367	-	-	-	-	-
	Transfers in		385,411	178,560	234,109	18,367	-	-	107,406	-	-
	Transfers out	(379,344)	(435,411)	(182,502)	(225,937)	(36,087)	(8,000)	(52,991)	(130,118)	-	-
	Total other financing sources (uses)	(386,877)	(50,000)	15,490	(315,261)	647	(8,000)	(52,991)	(22,712)	-	-
	Net change in fund balances	\$ (7,591,969)	\$ (1,570,311)	\$ 850,462	\$ 1,687,635	\$ 1,429,450	\$ (6,711)	\$ (241,721)	\$ (945,281)	\$ (343,562)	\$ 304,792
	Debt service as a percentage of noncapital expenditures	3.86%	5.19%	3.99%	4.31%	4.25%	4.01%	3.91%	3.64%	3.55%	3.44%
Source: District records											
Note: Noncapital expenditures are total expenditures less capital outlay.											

Collingswood School District
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

105

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Admission Fees	Prior Year Refunds	E-Rate Rebates	Preschool Registration Fees	Shared Services	Rentals	Activity Fees	Miscellaneous	Total
2008	\$ 727,168	\$ 3,198,375	\$ 17,586	\$ -	\$ 22,913	\$ -	\$ -	\$ 7,710	\$ -	\$ -	\$ 3,973,752
2009	592,544	3,607,825	10,941	129,577	3,429	-	-	8,495	-	5,482	4,358,293
2010	102,241	4,648,623	13,896	7,552	8,604	-	-	18,684	-	35,307	4,834,907
2011	78,676	4,924,948	13,142	147,598	306	25,880	244,654	1,775	69,789	4,726	5,511,494
2012	58,981	4,736,771	10,839	14,381	35,059	2,360	80,410	2,793	41,261	3,049	4,985,904
2013	48,094	4,209,178	9,938	21,303	19,329	80,038	283,934	1,350	66,575	1,266	4,741,005
2014	20,968	4,413,861	14,995	15,498	-	127,205	237,837	850	40,158	43,006	4,914,378
2015	17,360	4,883,512	11,570	12,224	-	-	167,628	100	41,082	8,897	5,142,373
2016	15,416	4,627,337	12,278	19,982	-	-	311,867	3,120	38,412	36,061	5,064,473
2017	15,309	4,695,280	11,552	119,365	-	-	379,724	3,700	40,531	33,652	5,299,113
	<u>\$ 1,676,757</u>	<u>\$ 43,945,710</u>	<u>\$ 126,737</u>	<u>\$ 487,480</u>	<u>\$ 89,640</u>	<u>\$ 235,483</u>	<u>\$ 1,706,054</u>	<u>\$ 48,577</u>	<u>\$ 337,808</u>	<u>\$ 171,446</u>	<u>\$48,825,692</u>

Source: District records

Collingswood School District
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years

J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2008 R	\$ 10,780,100	\$ 908,917,800	\$ 122,710,600	\$ 41,623,700	\$ 1,084,032,200	\$ 3,689,162	\$ 1,087,721,362	\$ 201,597,276	\$ 1.207	\$ 1,087,721,362
2009	7,956,500	907,379,400	119,269,300	41,523,700	1,076,128,900	3,829,134	1,079,958,034	285,219,700	1.284	1,152,420,827
2010	7,856,900	908,013,100	116,609,600	40,265,800	1,072,745,400	3,883,294	1,076,628,694	286,540,900	1.357	1,143,980,074
2011	7,978,300	908,133,700	116,485,000	40,066,800	1,072,663,800	3,786,375	1,076,450,175	288,171,200	1.380	1,159,612,944
2012	12,139,500	909,087,200	112,440,300	39,531,700	1,073,198,700		1,073,198,700	285,501,400	1.380	1,111,995,659
2013	8,313,700	913,740,100	114,053,300	38,400,700	1,074,507,800		1,074,507,800	279,504,700	1.389	1,078,383,548
2014	7,993,800	909,879,300	112,657,200	38,400,700	1,068,931,000		1,068,931,000	283,263,300	1.408	1,032,487,546
2015	7,696,400	909,569,100	109,533,700	37,733,700	1,064,532,900		1,064,532,900	281,795,500	1.449	1,016,624,555
2016	7,216,400	909,615,600	107,548,800	37,733,700	1,062,114,500		1,062,114,500	283,705,000	1.506	1,048,832,540
2017	8,048,800	909,873,500	107,150,600	37,747,200	1,062,820,100		1,062,820,100	279,919,400	1.559	1,067,934,503

Source:
 Municipal Tax Assessor

Note:
 Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.
 Reassessment occurs when ordered by the County Board of Taxation

- a Taxable Value of Machinery, Improvements, and Equipment of Telephone, Telegraph and Messenger System Companies
- b Tax rates are per \$100 of assessed valuation.
- c Not available.
- R Reassessment

Collingswood School District
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
(rate per \$100 of assessed value)

J-7

Fiscal Year Ended June 30,	Collingswood School District Direct Rate			Overlapping Rates				Total Direct and Overlapping Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Collingswood	Business Improvement	Camden County	Municipal Library	
2008 R	\$ 1.139	\$ 0.068	\$ 1.207	\$ 0.653	\$ 0.139	\$ 0.599	\$ -	\$ 2.598
2009	1.164	0.120	1.284	0.722	0.154	0.615		2.775
2010	1.232	0.125	1.357	0.846	0.161	0.649		3.013
2011	1.255	0.125	1.380	0.878	0.161	0.721		3.140
2012	1.255	0.125	1.380	0.885	0.167	0.751		3.183
2013	1.269	0.120	1.389	0.882	0.166	0.785	0.033	3.255
2014	1.289	0.119	1.408	0.936	0.174	0.774	0.032	3.324
2015	1.330	0.119	1.449	0.971	0.179	0.789	0.031	3.419
2016	1.387	0.119	1.506	0.981	0.181	0.819	0.033	3.520
2017	1.439	0.120	1.559	0.993	0.185	0.843	0.033	3.613

Source: Municipal Tax Collector

R Reassessment.

**Collingswood School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

J-8

108

Taxpayer	2017		Taxpayer	2008	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Cooper River Manor Investors	\$ 9,818,200	0.92%	Cooper River Manor Investors	\$ 9,818,200	0.90%
Collingswood Assoc.	3,624,100	0.34%	Station House Associates	7,245,500	0.67%
Parkview Urban Renewal LLC	3,384,000	0.32%	Collingswood Assoc.	5,832,000	0.54%
Flaum Prop. Co.	3,325,000	0.31%	ACE Partnerships	5,244,200	0.48%
ACE Partnership	3,300,000	0.31%	New Jersey Bell Telephone	3,689,162	0.34%
900 Haddon Avenue LLC	3,057,400	0.29%	Flaum Prop. Co.	3,325,000	0.31%
Crestwood Associates	2,751,000	0.26%	Lumberyard Redevelopment	2,755,000	0.25%
Aldi, Inc.	2,300,000	0.22%	Crestwood Associates	2,751,000	0.25%
New Jersey Bell Telephone	1,990,000	0.19%	ALDI, Inc.	2,667,000	0.25%
Inter Brotherhood Teamsters	1,977,400	0.19%	Frances Child ME Church	2,247,500	0.21%
Total	\$ 35,527,100	3.34%		\$ 45,574,562	4.19%

Source: Municipal Tax Assessor

Collingswood School District
 Property Tax Levies and Collections,
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$ 13,314,681	\$ 13,314,681	100.00%	-
2009	13,759,915	13,759,915	100.00%	-
2010	14,795,250	14,795,250	100.00%	-
2011	15,220,248	15,220,248	100.00%	-
2012	15,289,825	15,289,825	100.00%	-
2013	15,135,020	15,135,020	100.00%	-
2014	15,149,791	15,149,791	100.00%	-
2015	15,395,912	15,395,912	100.00%	-
2016	15,890,028	15,890,028	100.00%	-
2017	16,540,589	16,540,589	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statutes, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Collingswood School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

J-10

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities	Total District	Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonds ^a	Capital Leases	Capital Leases			
2008	\$ 18,776,000			\$ 18,776,000	3.28%	1,355
2009	18,326,000			18,326,000	3.18%	1,324
2010	17,826,000			17,826,000	3.05%	1,280
2011	17,226,000			17,226,000	2.81%	1,239
2012	16,601,000			16,601,000	2.67%	1,195
2013	16,120,000			16,120,000	2.57%	1,160
2014	15,385,000			15,385,000	2.37%	1,110
2015	14,650,000			14,650,000	2.18%	1,046
2016	13,890,000			13,890,000	(1)	991
2017	13,115,000			13,115,000	(1)	(1)

Sources:

- a District Records
- b Personal Income has been estimated based upon the municipal population and per capita personal income.
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- (1) Unavailable.

Collingswood School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding ^a	Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions			
2008	\$ 18,776,000		\$ 18,776,000	1.73%	1,355
2009	18,326,000		18,326,000	1.70%	1,324
2010	17,826,000		17,826,000	1.66%	1,280
2011	17,226,000		17,226,000	1.60%	1,239
2012	16,601,000		16,601,000	1.55%	1,195
2013	16,120,000		16,120,000	1.50%	1,160
2014	15,385,000		15,385,000	1.44%	1,110
2015	14,650,000		14,650,000	1.38%	1,046
2016	13,890,000		13,890,000	1.31%	991
2017	13,115,000		13,115,000	1.23%	(1)

Sources:

- a District Records
- b Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- (1) Unavailable.

Collingswood School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2016

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Collingswood	\$ 27,015,425 (1)	100.000%	\$ 27,015,425
Camden County General Obligation Debt	437,189,420 (2)	2.812%	12,293,766
Subtotal, overlapping debt			39,309,191
Collingswood School District Direct Debt			13,890,000
Total direct and overlapping debt			\$ 53,199,191

Sources:

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2016 Equalized Valuation. The source for this computation was the 2016 County Abstract of Ratables, provided by the County Board of Taxation.

Collingswood School District
 Legal Debt Margin Information,
 Last Ten Fiscal Years
 (dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2017

	Equalized valuation basis (1)
2014	\$ 1,014,936,384
2015	1,046,841,282
2016	<u>1,062,964,872</u>
	<u>\$ 3,124,742,538</u>
Average equalized valuation of taxable property	<u>\$ 1,041,580,846</u>
Debt limit (4% of average equalized valuation) (2)	\$ 41,663,234
Net bonded school debt (3)	<u>13,115,000</u>
Legal debt margin	<u>\$ 28,548,234</u>

Fiscal Year

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$ 37,675,596	\$ 41,620,998	\$ 43,400,900	\$ 43,844,606	\$ 43,772,249	\$ 43,549,552	\$ 42,617,720	\$ 41,551,671	\$ 41,233,075	\$ 41,663,234
Total net debt applicable to limit (3)	<u>18,776,000</u>	<u>18,326,000</u>	<u>17,826,000</u>	<u>17,826,000</u>	<u>16,601,000</u>	<u>16,120,000</u>	<u>15,385,000</u>	<u>14,650,000</u>	<u>13,890,000</u>	<u>13,115,000</u>
Legal debt margin	<u>\$ 18,899,596</u>	<u>\$ 23,294,998</u>	<u>\$ 25,574,900</u>	<u>\$ 26,018,606</u>	<u>\$ 27,171,249</u>	<u>\$ 27,429,552</u>	<u>\$ 27,232,720</u>	<u>\$ 26,901,671</u>	<u>\$ 27,343,075</u>	<u>\$ 28,548,234</u>
Total net debt applicable to the limit as a percentage of debt limit	49.84%	44.03%	41.07%	40.66%	37.93%	37.02%	36.10%	35.26%	33.69%	31.48%

Sources:

- (1) Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
- (3) District Records

Collingswood School District
 Demographic and Economic Statistics
 Last Ten Fiscal Years

J-14

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2008	13,854	\$ 573,181,542	\$ 41,373	6.0%
2009	13,839	576,269,799	41,641	9.5%
2010	13,929	584,920,497	41,993	10.0%
2011	13,906	613,463,190	44,115	9.8%
2012	13,894	621,645,348	44,742	9.9%
2013	13,899	626,525,223	45,077	8.8%
2014	13,862	649,933,732	46,886	5.8%
2015	14,000	673,176,000	48,084	4.6%
2016	14,010	e	e	4.1%
2017	e	e	e	e

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income has been established based upon the municipal population and per capita personal income presented.
- ^c Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development
- ^e Information not available

Collingswood School District
 Full-time Equivalent District Employees by Function/Program,
 Last Ten Fiscal Years

J-16

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Function/Program										
Instruction										
Regular	182.0	136.5	137.0	141.1	144.0	142.0	143.0	147.0	141.0	149.0
Special education	9.0	44.5	57.0	43.2	50.0	69.0	67.0	67.5	64.0	62.0
Support Services:										
Student & instruction related services	51.0	45.0	46.0	36.0	36.0	60.0	54.5	48.0	48.0	48.0
School administrative services	19.0	19.0	18.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
General and business administrative services	9.5	9.5	9.5	8.7	8.7	8.7	8.7	8.7	8.7	8.7
Plant operations and maintenance	32.0	32.0	33.0	33.5	33.5	33.5	32.0	32.0	32.0	32.0
Business and other support services										
Total	<u>302.5</u>	<u>286.5</u>	<u>300.5</u>	<u>279.5</u>	<u>289.2</u>	<u>330.2</u>	<u>322.2</u>	<u>320.2</u>	<u>310.7</u>	<u>316.7</u>

115

Source:
 District Personnel Records

Collingswood School District
 Operating Statistics,
 Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Junior High School	Senior High School				
2008	1,911	\$ 30,121,372	\$ 15,762	1.95%	195	1:10.33	1:09.85	1:10.29	1,910.9	1,802.3	1.33%	94.32%
2009	1,935	30,556,409	15,791	0.19%	181	1:10.98	1:08.05	1:12.07	1,935.3	1,824.5	1.28%	94.27%
2010	1,906	30,726,975	16,121	2.09%	175	1:10.89	1:08.03	1:12.70	1,913.7	1,783.7	-1.10%	93.21%
2011	1,860	30,083,839	16,174	0.33%	169	1:10.89	1:08.03	1:12.70	1,875.0	1,763.0	-2.02%	94.03%
2012	1,857	30,443,611	16,394	1.36%	168	1:10.89	1:08.03	1:12.70	1,857.0	1,724.3	-0.96%	92.86%
2013	1,876	32,123,469	17,123	4.45%	168	1:10.89	1:08.03	1:12.70	1,853.0	1,731.2	-0.96%	93.43%
2014	1,885	32,331,219	17,152	0.17%	167	1:10.89	1:08.03	1:12.70	1,867.2	1,756.2	-0.96%	94.06%
2015	1,891	33,973,517	17,966	4.75%	167	1:10.89	1:08.03	1:12.70	1,873.0	1,765.9	0.31%	94.28%
2016	1,942	34,798,442	17,919	-0.26%	167	1:10.89	1:08.03	1:12.70	1,946.3	1,837.0	3.91%	94.39%
2017	1,955	35,748,918	18,286	2.05%	167	1:10.89	1:08.03	1:12.70	1,950.3	1,837.4	-0.21%	94.21%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Collingswood School District
 School Building Information
 Last Ten Fiscal Years

J-18

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
District Building										
Elementary										
Garfield Elementary (1915)										
Square Feet	16,007	16,007	16,007	16,007	16,007	16,007	16,007	16,007	16,007	16,007
Capacity (students)	127	127	127	127	127	127	127	127	127	127
Enrollment	136	116	125	136	117	134	132	142	140	154
Newbie Elementary (1923)										
Square Feet	20,669	20,669	20,669	20,669	20,669	20,669	20,669	20,669	20,669	20,669
Capacity (students)	155	155	155	155	155	155	155	155	155	155
Enrollment	164	153	156	164	146	141	145	125	133	136
Sharp Elementary (1905)										
Square Feet	25,684	25,684	25,684	25,684	25,684	25,684	25,684	25,684	25,684	25,684
Capacity (students)	202	202	202	202	202	202	202	202	202	202
Enrollment	165	155	154	165	149	158	150	170	157	175
Tatem Elementary (1951)										
Square Feet	26,827	26,827	26,827	26,827	26,827	26,827	26,827	26,827	26,827	26,827
Capacity (students)	201	201	201	201	201	201	201	201	201	201
Enrollment	194	185	187	194	183	203	214	223	240	217
Zane North Elementary (1951)										
Square Feet	24,003	24,003	24,003	24,003	24,003	24,003	24,003	24,003	24,003	24,003
Capacity (students)	181	181	181	181	181	181	181	181	181	181
Enrollment	174	158	178	174	151	179	185	172	182	173
Middle School										
Collingswood Middle (1922)										
Square Feet	94,605	94,605	94,605	94,605	94,605	94,605	94,605	94,605	94,605	94,605
Capacity (students)	647	647	647	647	647	647	647	647	647	647
Enrollment	255	346	317	255	372	357	353	334	361	359
Senior High School										
Collingswood High School (1962)										
Square Feet	154,878	154,878	154,878	154,878	154,878	154,878	154,878	154,878	154,878	154,878
Capacity (students)	1,065	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055
Enrollment	823	823	789	823	690	681	688	707	729	741
Other										
Central Administration										
Square Feet	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Warehouse										
Square Feet	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700

Number of Schools at June 30, 2017
 Elementary = 5
 Middle School = 1
 Senior High School = 1
 Other = 0

Source: District Facilities Office

Collingswood School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years

J-19

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-xxx

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
* School Facilities											
High School	\$ 76,710	\$ 117,350	\$ 95,801	\$ 90,381	\$ 129,342	\$ 137,690	\$ 393,406	\$ 424,661	\$ 413,619	\$ 426,111	\$ 2,305,071
Middle School	24,776	33,800	25,407	52,807	61,720	53,216	240,466	259,571	252,821	260,456	1,265,040
Garfield Elementary	5,338	17,300	21,808	7,027	19,940	41,555	40,538	43,759	42,621	43,908	283,794
Newbie Elementary	9,524	14,400	12,866	20,654	34,961	17,759	52,515	56,688	55,214	56,881	331,462
Sharp Elementary	33,377	32,050	28,555	14,226	22,203	36,878	65,414	70,611	68,775	70,852	442,941
Tatem Elementary	17,337	17,050	23,017	21,271	17,315	54,394	68,178	73,595	71,681	73,846	437,684
Zane North Elementary	7,118	23,900	19,220	20,571	40,940	17,276	60,808	65,638	63,931	65,863	385,265
Total School Facilities	<u>\$ 174,180</u>	<u>\$ 255,850</u>	<u>\$ 226,674</u>	<u>\$ 226,937</u>	<u>\$ 326,421</u>	<u>\$ 358,768</u>	<u>\$ 921,325</u>	<u>\$ 994,523</u>	<u>\$ 968,662</u>	<u>\$ 997,917</u>	<u>\$ 5,451,257</u>

118

* School facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

**Collingswood School District
Insurance Schedule
June 30, 2017**

J-20

	<u>Coverage</u>	<u>Self-insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	\$ 175,000,000	\$ 250,000	\$ 500
Boiler and Machinery	125,000,000		1,000
Crime	500,000	250,000	500
General and Automobile Liability	20,000,000	250,000	
Workers' compensation	Statutory	250,000	
Educators Legal Liability	20,000,000	175,000	
Pollution Legal Liability	3,000,000		25,000
Cyber Liability	1,000,000		25,000
Violent Malicious Acts	1,000,000		15,000
Disaster Management Services	2,000,000		15,000
Commerical Canine (2)	1,000,000		5,000
Catastrophe Accident Insurance (3)	6,000,000		
Student Accident Insurance (3)	1,000,000		
Surety Bonds (4)			
Board Secretary	250,000		

- (1) Burlington County Joint Insurance Fund
- (2) Lloyd's of London
- (3) Bolinger/Zurich
- (4) Selective Insurance Co.

Source: District records

Single Audit Section

INVERSO & STEWART, LLC
Certified Public Accountants

651 Route 73 North, Suite 402
 Marlton, New Jersey 08053
 (856) 983-2244
 Fax (856) 983-6674
 E-Mail: Iscpas@concentric.net

-Member of-
 American Institute of CPAs
 New Jersey Society of CPAs

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT
 ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
 UNIFORM GUIDANCE AND STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
 of the Board of Education
 Collingswood School District
 County of Camden
 Collingswood, New Jersey

Report on Compliance for Each Major Federal and State Program

I have audited Collingswood School District's (School District), in the County of Camden, State of New Jersey compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2017. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and State of New Jersey Circular 15-08-OMB require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal and state program. However, my audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal and State Program

In my opinion, the Collingswood School District, in the County of Camden, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the Collingswood School District, in the County of Camden, State of New Jersey, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Collingswood School District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

INVERSO & STEWART, LLC

Certified Public Accountants



Robert P. Inverso

Certified Public Accountant

Public School Accountant No. CS001095

Marlton, New Jersey
October 12, 2017

COLLINGSWOOD SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2017

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance, June 30, 2016			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	Balance, June 30, 2017		
						(Accounts Receivable	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
Title I:																
Fiscal Year 2017	84.010	S010A160030	NCLB094017	\$ 442,480	7/1/16 - 6/30/17	\$ -	\$ -	\$ -	\$ -	\$ 215,559	\$ (437,512)	\$ -	\$ -	\$ (221,953)	\$ -	\$ -
Fiscal Year 2016	84.010	S010A150030	NCLB094016	463,216	7/1/15 - 6/30/16	(247,314)				247,314						
Title I Arts - Integration Competitive Grant																
Fiscal Year 2017	84.010	S010A160030	NCLB094017	100,000	1/1/17 - 7/31/17					40,489	(98,093)			(57,604)		
Title II A:																
Fiscal Year 2017	84.367A	S367A160029	NCLB094017	74,183	7/1/16 - 6/30/17					36,736	(38,930)			(2,194)		
Fiscal Year 2016	84.367A	S367A150029	NCLB094016	74,065	7/1/15 - 6/30/16	(8,830)				8,830						
Title III:																
Fiscal Year 2017	84.365	S365A160030	NCLB094017	18,395	7/1/16 - 6/30/17					6,757	(9,887)			(3,130)		
Fiscal Year 2016	84.365	S365A150030	NCLB094016	23,056	7/1/15 - 6/30/16	(9,750)				9,750				-		
Title III Immigrant																
Fiscal Year 2017	84.365	S365A160030	NCLB094017	4,012	7/1/16 - 6/30/17						(878)			(878)		
I.D.E.A. Part B - Basic:																
Fiscal Year 2017	84.027	H027A160100	IDEA094017	656,009	7/1/16 - 6/30/17					399,455	(560,188)			(160,733)		
Fiscal Year 2016	84.027	H027A150100	IDEA094016	506,900	7/1/15 - 6/30/16	(171,631)				171,631				-		
I.D.E.A. Part B - Preschool:																
Fiscal Year 2017	84.173	H173A160114	IDEA094017	11,769	7/1/16 - 6/30/17					11,769	(11,769)			-		
Fiscal Year 2016	84.173	H173A150114	IDEA094016	11,463	7/1/15 - 6/30/16	(4,528)				4,528				-		
Total U.S. Department of Education						(442,053)	-	-	-	1,152,818	(1,157,257)	-	-	(446,492)	-	-
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Food Distribution Program:																
Fiscal Year 2017	10.565	1711NJ304N1099	N/A	39,172	7/1/16 - 6/30/17					39,172	(39,172)					
School Breakfast Program:																
Fiscal Year 2017	10.553	1711NJ304N1099	N/A	99,290	7/1/16 - 6/30/17					93,501	(99,290)			(5,789)		
Fiscal Year 2016	10.553	16161NJ304N1099	N/A	91,422	7/1/15 - 6/30/16	(6,062)				6,062						
National School Lunch Program																
Fiscal Year 2017	10.555	1711NJ304N1099	N/A	263,734	7/1/16 - 6/30/17					253,709	(263,734)			(10,025)		
Fiscal Year 2016	10.555	16161NJ304N1099	N/A	276,661	7/1/15 - 6/30/16	(12,435)				12,435						
Total U.S. Department of Agriculture						(18,497)	-	-	-	404,879	(402,196)	-	-	(15,814)	-	-
U.S. Department of Health and Human Services																
Passed-through State Department of Human Services:																
General Fund:																
Medicaid Assistance Program																
Fiscal Year 2017	93.778	1705NJ5MAP	N/A	87,786	7/1/16 - 6/30/17					87,786	(87,786)			-		
Fiscal Year 2017 - ARRA SEMI	93.778	1705NJ5MAP	N/A	5,193	4/1/09 - 12/31/09					5,193	(5,193)			-		
Fiscal Year 2016	93.778	1605NJ5MAP	N/A	115,726	7/1/15 - 6/30/16	(41,697)				41,697				-		
Total Federal Awards						(502,247)	\$ -	\$ -	\$ -	\$ 1,692,373	\$ (1,652,432)	\$ -	\$ -	\$ (462,306)	\$ -	\$ -

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

COLLINGSWOOD SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year ended June 30, 2017

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance, June 30, 2016			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2017		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education												
General Fund:												
Equalization Aid	17-495-034-5120-078	\$ 7,838,657	7/1/16- 6/30/17	\$ -	\$ -	\$ -	\$ 7,100,577	\$ (7,838,657)	\$ -	\$ (738,080)	\$ -	\$ -
Equalization Aid	16-495-034-5120-078	7,836,707	7/1/15- 6/30/16	(724,479)	-	-	724,479	-	-	-	-	-
Special Education Categorical Aid	17-495-034-5120-089	924,652	7/1/16- 6/30/17	-	-	-	837,587	(924,652)	-	(87,065)	-	-
Special Education Categorical Aid	16-495-034-5120-089	908,909	7/1/15- 6/30/16	(84,026)	-	-	84,026	-	-	(87,065)	-	-
Security Aid	17-495-034-5120-084	267,409	7/1/16- 6/30/17	-	-	-	242,230	(267,409)	-	(25,179)	-	-
Security Aid	16-495-034-5120-084	265,588	7/1/15- 6/30/16	(24,553)	-	-	24,553	-	-	(25,179)	-	-
Adjustment Aid	17-495-034-5120-085	1,044,170	7/1/16- 6/30/17	-	-	-	945,852	(1,044,170)	-	(98,318)	-	-
Adjustment Aid	16-495-034-5120-085	1,044,170	7/1/15- 6/30/16	(96,530)	-	-	96,530	-	-	(98,318)	-	-
Transportation Aid	17-495-034-5120-014	176,430	7/1/16- 6/30/17	-	-	-	159,817	(176,430)	-	(16,613)	-	-
Transportation Aid	16-495-034-5120-014	179,759	7/1/15- 6/30/16	(16,618)	-	-	16,618	-	-	(16,613)	-	-
School Choice Aid	17-495-034-5120-068	171,054	7/1/16- 6/30/17	-	-	-	154,948	(171,054)	-	(16,106)	-	-
School Choice Aid	16-495-034-5120-068	133,042	7/1/15- 6/30/16	(12,299)	-	-	12,299	-	-	(16,106)	-	-
Extraordinary Special Education Costs Aid	17-495-034-5120-044	54,068	7/1/16- 6/30/17	-	-	-	-	(54,068)	-	(54,068)	-	-
Extraordinary Special Education Costs Aid	16-495-034-5120-044	25,413	7/1/15- 6/30/16	(25,413)	-	-	25,413	-	-	(54,068)	-	-
PARCC Readiness Aid	17-495-034-5120-098	16,010	7/1/16- 6/30/17	-	-	-	14,503	(16,010)	-	(1,507)	-	-
PARCC Readiness Aid	16-495-034-5120-098	16,010	7/1/15- 6/30/16	(1,480)	-	-	1,480	-	-	(1,507)	-	-
Per Pupil Growth Aid	17-495-034-5120-097	16,010	7/1/16- 6/30/17	-	-	-	14,503	(16,010)	-	(1,507)	-	-
Per Pupil Growth Aid	16-495-034-5120-097	16,010	7/1/15- 6/30/16	(1,480)	-	-	1,480	-	-	(1,507)	-	-
Professional Learning Community Aid	17-495-034-5120-101	16,430	7/1/16- 6/30/17	-	-	-	14,883	(16,430)	-	(1,547)	-	-
Homeless Tuition Aid	17-495-034-5120-005	83,099	7/1/16- 6/30/17	-	-	-	83,099	(83,099)	-	(83,099)	-	-
Homeless Tuition Aid	16-495-034-5120-005	51,764	7/1/15- 6/30/16	(51,764)	-	-	51,764	-	-	(83,099)	-	-
Lead Testing for Schools Aid	17-495-034-5120-104	11,942	7/1/16- 6/30/17	-	-	-	-	(11,942)	-	(11,942)	-	-
On-behalf TPAF Post Retirement Medical	17-495-034-5094-001	1,396,937	7/1/16- 6/30/17	-	-	-	1,396,937	(1,396,937)	-	-	-	-
On-behalf TPAF Pension Contribution	17-495-034-5094-002	1,676,538	7/1/16- 6/30/17	-	-	-	1,676,538	(1,676,538)	-	-	-	-
On-behalf TPAF LTDI	17-495-034-5094-004	5,153	7/1/16- 6/30/17	-	-	-	5,153	(5,153)	-	-	-	-
Reimbursed TPAF Social Security Contr.	17-495-034-5094-003	1,120,103	7/1/16- 6/30/17	-	-	-	1,065,236	(1,120,103)	-	(54,867)	-	-
Reimbursed TPAF Social Security Contr.	16-495-034-5094-003	1,109,106	7/1/15- 6/30/16	(54,864)	-	-	54,864	-	-	(54,867)	-	-
Total General Fund				(1,093,226)	-	-	14,721,990	(14,818,662)	-	(1,189,896)	-	-
Special Revenue Fund:												
NJ Nonpublic Aid:												
Textbook Aid	17-100-034-5120-064	8,877	7/1/16- 6/30/17	-	-	-	8,877	(8,353)	-	-	-	524
Textbook Aid	16-100-034-5120-064	9,479	7/1/15- 6/30/16	-	-	953	-	-	953	-	-	139
Nursing Aid	17-100-034-5120-070	13,860	7/1/16- 6/30/17	-	-	-	13,860	(13,721)	-	-	-	139
Nursing Aid	16-100-034-5120-070	14,940	7/1/15- 6/30/16	-	-	149	-	-	149	-	-	801
Technology Aid	17-100-034-5120-373	4,004	7/1/16- 6/30/17	-	-	-	4,004	(3,203)	-	-	-	801
Technology Aid	16-100-034-5120-373	4,316	7/1/15- 6/30/16	-	-	886	-	-	886	-	-	-
Security Aid	17-100-034-5120-509	7,700	7/1/16- 6/30/17	-	-	-	7,700	(7,200)	-	-	-	500
Security Aid	16-100-034-5120-509	4,150	7/1/15- 6/30/16	-	-	3,053	-	-	3,053	-	-	-
Auxiliary Services:												
Compensatory Education	17-100-034-5120-067	91,372	7/1/16- 6/30/17	-	-	-	91,372	(41,028)	-	-	-	50,344
Compensatory Education	16-100-034-5120-067	80,373	7/1/15- 6/30/16	-	-	19,461	-	-	19,461	-	-	5,846
ESL	17-100-034-5120-067	5,846	7/1/16- 6/30/17	-	-	-	5,846	-	-	-	-	5,846
ESL	16-100-034-5120-067	1,726	7/1/15- 6/30/16	-	-	1,726	-	-	1,726	-	-	-
Home Instruction	16-100-034-5120-067	1,419	7/1/15- 6/30/16	(1,419)	-	-	1,419	-	-	-	-	-
Handicapped Services:												
Supplemental Instruction	17-100-034-5120-066	15,694	7/1/16- 6/30/17	-	-	-	15,694	(5,179)	-	-	-	10,515
Supplemental Instruction	16-100-034-5120-066	20,049	7/1/15- 6/30/16	-	-	14,480	-	-	14,480	-	-	36,551
Examination & Classification	17-100-034-5120-066	43,756	7/1/16- 6/30/17	-	-	-	43,756	(7,205)	-	-	-	11,839
Examination & Classification	16-100-034-5120-066	21,641	7/1/15- 6/30/16	-	-	9,370	-	-	9,370	-	-	-
Corrective Speech	17-100-034-5120-066	23,855	7/1/16- 6/30/17	-	-	-	23,855	(12,016)	-	-	-	11,839
Corrective Speech	16-100-034-5120-066	33,443	7/1/15- 6/30/16	-	-	17,893	-	-	17,893	-	-	-
Total Special Revenue Fund				(1,419)	-	67,971	216,383	(97,905)	67,971	-	-	117,059
State Department of Agriculture												
Enterprise Fund:												
National School Lunch Program (State Share)												
Fiscal Year 2017	17-100-010-3350-023	5,640	7/1/16- 6/30/17	-	-	-	5,424	(5,640)	-	(216)	-	-
Fiscal Year 2016	16-100-010-3350-023	6,312	7/1/15- 6/30/16	(269)	-	-	269	-	-	(216)	-	-
Total Enterprise Fund				(269)	-	-	5,693	(5,640)	-	(216)	-	-
Total State Financial Assistance				\$ (1,094,914)	\$ -	\$ 67,971	\$ 14,944,066	\$ (14,922,207)	\$ 67,971	\$ (1,190,114)	\$ -	\$ 117,059
Less: State Financial Expenditures Not Subject to Major Program Determination												
On-Behalf TPAF Contribution - Pension (Non-Budgeted)								(1,676,538)				
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)								(1,396,937)				
On-Behalf TPAF Contribution - LTDI (Non-Budgeted)								(5,153)				
Total State Financial Expenditures Subject to Major Program Determination								\$ (11,843,579)				

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

Collingswood School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2017

1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Collingswood School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The school district has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when the expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more of the June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or two June state aid payments in the current budget year, consistent with *N.J.S.A. 18A:22-44.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$24,457) for the general fund and \$-0- for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 92,979	\$ 14,794,205	\$ 14,887,184
Special Revenue	1,157,257	97,905	1,255,162
Food Service	402,196	5,640	407,836
Total	<u>\$ 1,652,432</u>	<u>\$ 14,897,750</u>	<u>\$ 16,550,182</u>

**Collingswood School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2017
(Continued)**

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2017. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

6. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**COLLINGSWOOD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section I --Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weaknesses identified? yes X no

2) Significant deficiencies identified? yes X none reported

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified? yes X none reported

Type of auditor's report on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.555</u>	<u>171NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>171NJ304N1099</u>	<u>School Breakfast Program</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

**COLLINGSWOOD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section 1 -- Summary of Auditor's Results (Cont'd)

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weakness? yes X none reported

Type of auditor's report on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>17-495-034-5120-078</u>	State Aid Public Cluster: <u>Equalization Aid</u>
<u>17-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>17-495-034-5120-084</u>	<u>Security Aid</u>
<u>17-495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>17-495-034-5120-083</u>	<u>Under Adequacy Aid</u>
<u>17-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>17-495-034-5120-098</u>	<u>PARCC Readiness</u>
<u>17-495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
<u>17-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>17-100-010-3350-023</u>	<u>State School Lunch Program</u>

**COLLINGSWOOD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

No findings identified.

**COLLINGSWOOD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FEDERAL AWARDS:

No findings and/or questioned costs identified.

STATE AWARDS:

No findings and/or questioned costs identified.

**COLLINGSWOOD SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.